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Summary record of the 27th meeting
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Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Mr. Incera (Vice-Chairman) ..... (Costa Rica)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.10 a.m.

Agenda item 153: Human resources management (*continued*) (A/52/438, A/C.5/51/55 and Corr.1, A/52/7, paras. 107-112 and A/C.5/52/2)

1. **Mr. Bond** (United States of America), referring to the implementation of the performance appraisal system (A/C.5/51/55), said it was encouraging to see that the concepts underlying that system – i.e., work planning, monitoring, feedback and appraisal – had generally been received positively by managers and staff, as had the principle of basing appraisals on pre-established performance expectations.

2. The report noted certain difficulties inherent in the introduction of a new system, which should be overcome as those concerned became more familiar with that system. The Secretariat should provide information on the number of staff appraised and the time that would be required to train all managers in the new system. It would also be useful to have more details about the procedures and methodology used to determine how well the system was working.

3. His delegation was very pleased with the family leave programme (A/52/438) because it allowed staff members greater flexibility to use their sick leave to deal with family emergencies and recognized the need for paternity leave. His delegation wished to know exactly what was meant by the "exceptional circumstances" which would make it possible to extend leave without pay beyond the initial two years.

4. His delegation approved of the Secretary-General's proposal in document A/52/439 concerning the step-by-step introduction of performance awards or bonuses.

5. **Mr. Yamagiwa** (Japan) said he fully shared the views expressed by the representative of Romania at an earlier meeting concerning the usefulness of the national competitive examinations programme and shared his concern about the proposed reduction in P-1 to P-3 posts.

6. His delegation welcomed the introduction of the new performance appraisal system in 22 departments and offices throughout the Secretariat in 1996, which should lead to more efficient and transparent human resources management. It would like to know why the system had not yet been implemented in all departments. The overall concept and principles on which the system was based seemed to be widely accepted, and both management and staff recognized that the entire process – work planning, ongoing monitoring, feedback and appraisal – would promote the development of a performance-based management culture. It was true that the new system had encountered a number of problems, but there were grounds for believing that they could be solved through technical modifications, given time and greater experience.

7. With regard to the two "misperceptions" mentioned in paragraphs 20 to 22 of the report, it would be advisable to avoid a mathematical, regular distribution of ratings which would impose an excessive rigidity on the new system, and appropriate guidance should be given to those responsible for the ratings. With regard to the argument that a goal-based rating system would not be applicable to the international civil service, it should be noted that similar systems had already been applied to national civil services in some countries and the Secretariat should therefore continue studying and learning from those examples.

8. It should be borne in mind that the performance appraisal system was not an end in itself but was designed to promote a result-based culture of performance. In that context, the proposals concerning the introduction of a system of incentives and rewards and strengthening of the links between the performance appraisal system, staff development and career support mechanisms (paras. 25 (g) and (h)) were particularly important. The new appraisal system would contribute to merit-based career development and thus to more transparent personnel management.

9. **Mr. Bong Hyun Kim** (Republic of Korea) said his delegation approved of the introduction of the new performance appraisal system and was glad to see that almost all departments and offices had begun implementing it in 1996. The criticisms directed at the system led his delegation to believe that it should be simplified and modified. It was particularly important to reduce the number of steps involved, to ensure that forms and guidelines were spelled out in clear and simple language, to make the planning cycle coincide with the budget cycle and to introduce a system of incentives and rewards linked to the use of the appraisal system. Furthermore, in order to make a real contribution to the emergence of a result-based culture of performance, the new appraisal system should be applied in parallel with the result-based budgeting method proposed by the Secretary-General (A/51/950).

10. If it was planned to introduce a system of performance awards and bonuses (A/52/439) the performance appraisal system was the only mechanism by which performance could be properly evaluated. However, since the system was not yet sufficiently well established to support a monetary awards system, non-monetary awards would have to be used during the first stage.

11. His delegation was deeply concerned about the number of United Nations personnel who had lost their lives while

performing their duties. Host countries must take all appropriate steps to ensure the safety and security of United Nations staff and premises. His country was in the process of ratifying the Convention on the Safety of United Nations and Associated Personnel.

12. With regard to the composition of the Secretariat, his delegation reiterated its support for the principle of equitable geographical distribution. There would be a significant number of staff retiring in the coming years; that would provide an opportunity to recruit young staff, particularly in Member States which were underrepresented in the Secretariat. National competitive examinations should be the primary recruitment tool for that purpose. His delegation was concerned to note that one P-4 post and one General Service post had been abolished in the Examinations and Tests Section.

13. **Mr. Ubalijoro** (Rwanda), referring to the question of respect for the privileges and immunities of United Nations officials, which was the subject of document A/C.5/52/2, observed that in the report allusion was made yet again to locally recruited United Nations staff who were allegedly still in prison in Rwanda. He was concerned to note that once again the problem of genocide in Rwanda was being presented in a biased way. The truth was that, when the genocide occurred, Rwandese recruited locally by the United Nations had pleaded in vain for United Nations protection at a time when the Organization was evacuating international staff. In view of that policy of applying two different standards, his country felt obliged to question the ethical standards of the United Nations. The latter bore some of the responsibility for the events in Rwanda and therefore had an obligation to explain itself.

14. **Mr. Chinvanno** (Thailand) said that his delegation attached great importance to the performance appraisal system, a tool which could improve the functioning of the Organization. The report on the subject (A/C.5/51/55) indicated that the system was meeting with certain obstacles and his delegation looked forward to explanations in that regard.

15. Concerning the composition of the Secretariat, he referred to paragraph 77 of document A/52/7, where the Advisory Committee on Administrative and Budgetary Questions noted a troubling trend towards a decrease in the number of P-3 and P-2 posts.

16. With regard to the question of privileges and immunities, he was concerned about the number of United Nations staff who had disappeared recently and considered that host countries must do everything possible to guarantee the safety of such staff.

17. **Mr. Liu Yanguo** (China) considered that the new performance appraisal system for staff was a welcome initiative that would motivate United Nations staff and contribute to the emergence of a result-based management style. The Secretariat should draw the relevant conclusions from the first stage of the experiment by noting the reactions and comments of managers and staff. There remained some problems to be resolved. Departments clearly varied greatly, working methods differed and the performance appraisal system should be adapted accordingly. The Secretariat, which had devoted considerable human and financial resources to the initiative, should continue its efforts to ensure cost-effectiveness.

18. With regard to the problem of the safety of United Nations personnel, he said that it was essential for the host countries to take effective measures to protect the lives and property of such personnel, as they had undertaken to do, in accordance with the Charter of the United Nations and the relevant conventions.

19. Lastly, he welcomed the measures with respect to family leave, which should improve working conditions for United Nations staff members.

Agenda item 113: Financial reports and audited financial statements, and reports of the Board of Auditors (A/52/261, A/52/381 and A/52/518)

(b) United Nations Institute for Training and Research (A/52/5/Add.4)

(c) Voluntary funds administered by the United Nations High Commissioner for Refugees (A/52/5/Add.5)

20. **Sir John Bourn** (Chairman of the Board of Auditors) introduced the reports of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) (A/52/5/Add.5) and on the United Nations Institute for Training and Research (UNITAR) (A/52/5/Add.4) for the financial period ended 31 December 1996, together with a concise summary of the principal findings, conclusions and recommendations of those reports (A/52/261), as requested in General Assembly resolution 47/211 of 23 December 1992. The Board had, as in the past, set out in the annexes of the two reports its comments on the measures taken by the Administration to implement the Board's previous recommendations. In addition, it had introduced a new section highlighting previous recommendations not fully implemented and pointing out with greater precision incidents of malpractice and violation of rules and regulations, as requested in paragraph 7 of General Assembly resolution 51/225.

21. During the biennium the Board of Auditors had maintained close cooperation with the Office of Internal Oversight Services and the internal audit services of the various organizations, thus ensuring the coordination of audit activities. The Audit Operations Committee had also exchanged information on issues of mutual interest with the Joint Inspection Unit.

22. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) had discussed the Board's reports on UNHCR and UNITAR with the Audit Operations Committee. The Board had taken note of the Advisory Committee's request for the Board to monitor the implementation of the Memorandum of Understanding between the Office of Internal Oversight Services and UNHCR concerning the provision of Internal Audit services and to report on the adequacy of the arrangement.

23. With regard to the Board's principal findings on the voluntary funds administered by UNHCR, he said that as far as previous recommendations not fully implemented were concerned the main persistent irregularities were the non-assessment of the capabilities of implementing partners; delays in the submission of project-monitoring reports; the selective basis on which work plans were prepared; and the failure of implementing partners to maintain separate accounts for UNHCR funds.

24. Regarding financial issues, UNHCR had, on the Board's recommendation, initiated action to obtain audit certificates for the expenditure incurred by the implementing partners in 1995, but no such certificates had been received in respect of 1996 expenditure. In addition, the Board considered that UNHCR should urgently review the current practice of recording cash advances to the implementing partners as programme expenditure.

25. Where programme management was concerned, no norms had been fixed for programme delivery and administrative support costs; in 1996 the actual rates had varied from 32 per cent to 48 per cent of the total programme budget. There had also been delays in signing sub-agreements with implementing partners; work plans had not been prepared in many cases; and project monitoring reports had been received very late. The Board had made recommendations on all those points.

26. With regard to consultants, the Board had noted shortcomings in the terms of reference for candidates and in their selection and evaluation; in many cases the same consultants had been engaged repeatedly. The Board had recommended appropriate measures to rectify the situation, including the maintenance of a central roster of consultants.

27. On asset management, the Board had recommended that the MINDER Asset Tracking System should be upgraded to make possible the electronic transfer of data from the procurement system to the asset management system and that the Administration should undertake a physical verification of all assets.

28. With regard to the Secretary-General's report on the implementation of the Board's recommendations (A/52/381), one of those recommendations was that UNHCR should ensure that audit certificates were received on time from implementing partners.

29. With regard to the Board's report on UNITAR, the single persistent irregularity noted concerned the question of clearing long-outstanding deficits on Special Purpose Grants Fund projects. Deficits totalling $283,215 on 11 projects had been the subject of protracted discussions between the Institute and the United Nations. The Board had once again urged the Institute to settle the matter, which had long been outstanding.

30. In relation to financial issues, the Board had been concerned at the lack of available funds to secure the long-term future of the General Fund. There also remained the issue of nearly $100,000 in charges incurred at United Nations Headquarters but disputed by the Institute. The Board had also recommended that the Institute should carry out a review of the collectibles from donors of amounts outstanding on Special Purpose Grants Fund projects.

31. In the area of programme management the Board had found significant lapses in documentation, particularly concerning the way in which participating countries and partners had been selected, and had recommended that the Institute should ensure clear linkages between its training events and the specific objectives of the relevant programme.

32. Turning to the question of the term of office of the members of Board, he recalled that the Board had favoured the adoption of a six-year term, which represented three biennial accounting cycles, thereby ensuring a smooth pattern of rotation and making it possible for members to contribute more effectively to the work of the United Nations.

33. The Board had been pleased to see in the Advisory Committee's first report on the proposed programme budget for 1998-1999 (A/52/7, paras. 98-106) the comments on the increasing demands for independent audits and management reviews of the United Nations system. The Board, which had often expressed its concern at such demands from donors of extrabudgetary funds, very much welcomed the Advisory Committee's statement that the secretariats of the

organizations and agencies concerned had no power to conclude arrangements for audit by national authorities without prior approval from the competent legislative bodies.

34. The Board had started work on the reviews requested during the fifty-first session of the General Assembly, including the requests for reviews of the Integrated Management Information System, the International Civil Service Commission and the Iraq escrow account. The Board would also be submitting to the Assembly early in 1998 its proposals for improving the implementation of its recommendations.

35. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the beginning of paragraph 13 of document A/52/518 should be corrected to read, "With regard to *internal* audit". He then introduced the main observations made by the Advisory Committee in that report, which concerned the reports of the Board of Auditors on the United Nations Institute for Training and Research (UNITAR) (A/52/5/Add.4) and on the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) (A/52/5/Add.5). Following an exchange of views with the Audit Operations Committee, the Advisory Committee, having been informed that there were certain advantages to the submission of biennial instead of annual audit reports for UNHCR and UNITAR, as in the case of other United Nations bodies, requested the Executive Director of UNITAR and the United Nations High Commissioner for Refugees to consult with the Board of Auditors on the implications of that change.

36. In paragraphs 5 to 9 of its report, the Advisory Committee expressed its concern about the problems relating to the need for the implementing partners of UNHCR to account for the management and use of funds, which the Board of Auditors had mentioned repeatedly in recent years. In paragraph 7, the Advisory Committee stressed that all implementing partners, whether government or non-governmental agencies, were under the obligation, without exception, to honour the agreement they had freely entered into with UNHCR regarding the management of resources donated by Member States.

37. The Advisory Committee was informed that UNHCR intended to establish, for projects implemented by national non-governmental organizations, a threshold value of $100,000 for the application of the requirements for an audit certificate. The detailed information which the Advisory Committee had received on the subject was summarized in paragraph 9 of its report. Notwithstanding the threshold value, the Advisory Committee believed that for projects below $100,000 there should be at least one audit during the life of a project. That was similar to the procedure followed by the United Nations Development Programme (UNDP).

38. With respect to asset management, the Advisory Committee had requested the High Commissioner to take into account the need to establish a fully integrated system, which should make possible the tracking of assets from start to finish and which could be based on the system developed by the Department of Peacekeeping Operations.

39. The Advisory Committee had also made recommendations concerning, on the one hand, the use of consultants in UNHCR, and, on the other, the urgent need to review the criteria for classifying UNHCR expenditures as administrative, programme delivery and operational, so as to avoid any confusion.

40. The Advisory Committee's comments on UNITAR appeared in paragraphs 14 to 17 of its report. The Advisory Committee requested the United Nations Administration to seek the advice of the Office of Legal Affairs in order to settle the question of the outstanding debt of UNITAR towards the United Nations.

41. *Ms. Incera (Costa Rica), Vice-President, took the Chair.*

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (*continued*) (A/52/6 (vol. II), A/52/16 and Add.1 and A/52/7 (sect. II, Parts VII-XII))

Section 26. Public information (*continued*)

42. **Ms. Buergo Rodriguez** (Cuba), noting the regrettable disparities with regard to the number of languages in which documents were published, asked about the linguistic policies applied to information activities and drew attention to General Assembly resolution 50/11 on multilingualism, which was not being observed in that regard. She wished to know why only the Economic Commission for Europe received press releases and reports intended for release to the media.

43. With regard to the abolition of posts, her delegation asked what the repercussions would be on the implementation of activities, since the Secretariat also referred to the problems caused by the shortage of resources. Those resources should be increased, and her delegation hoped, in particular, that the *United Nations Chronicle* would again be published in Arabic, Chinese, Spanish and Russian. She would like to see a written explanation of the criteria that had been used to choose the posts that were abolished. She would also like more specific information on what principles were used as a basis for attaching so much

importance, in section 26, to activities relating to non-governmental organizations.

44. Lastly, her delegation regretted that the Committee on Information had been unable to review the work of the task force established by the Executive Coordinator for United Nations Reform to examine the activities of the Department of Public Information, and expressed the hope that the Secretary-General's report on that matter could be submitted on time for the General Assembly to consider it in an appropriate way.

45. **Mr. Halbwachs** (Controller) replied that the Economic Commission for Europe received press releases because, unlike the other regional commissions, it did not have its own press service.

Section 27. Administrative services (*continued*)

Section 27A. Office of the Secretary-General for Administration and Management (*continued*)

Section 27B. Office of Programme Planning, Budget and Accounts (*continued*)

Section 27C. Office of Human Resources Management (*continued*)

Section 27D. Support Services (*continued*)

Section 27E. Conference Services (*continued*)

Section 27F. Administration, Geneva (*continued*)

Section 27G. Administration, Vienna (*continued*)

Section 27H. Administration, Nairobi (*continued*)

46. **Mr. Moktefi** (Algeria) said that, while favouring the efforts to rationalize common support services and to improve efficiency, he nonetheless felt that such efforts should be pursued with complete transparency, in particular in collaboration with the competent intergovernmental bodies.

47. With regard to staff training and development programmes, his delegation believed, along with the Advisory Committee, that an evaluation of United Nations training activities as a whole was necessary. As for procurement, five gratis personnel on non-reimbursable loan had been contributed at the P-3 level, while five permanent posts would be abolished. His delegation was concerned at that situation because it entailed the risk of a conflict of interest, and because the staff members were not subject to United Nations regulations. His delegation endorsed the comments of the Advisory Committee with regard to the proposed reclassification of a D-1 post to D-2. It also agreed with the Advisory Committee that the Organization should resort increasingly to competitive bidding in an effort to reach a wider geographical area, especially including the developing countries, and that sufficient resources ought to be provided for that purpose.

48. As for the use of new technologies, his delegation agreed with the Advisory Committee that it would be a good idea to set up an information technology task force to recommend a long-term strategy and plan of action in that area. It would like to see higher priority given to record-keeping (para. 27D.76-78 of the proposed programme budget).

49. Lastly, his delegation emphasized the need to end the uncertainty surrounding the financing of the United Nations Office at Nairobi by giving it the necessary resources.

50. **Ms. Buergo Rodriguez** (Cuba) expressed concern at the difficulty the Advisory Committee was having obtaining information on proposals intended to streamline and reorient management of the Secretariat. She agreed with the Advisory Committee regarding the three pilot projects established at ECLAC, the United Nations Office at Vienna and in Conference Services, and hoped that the Secretariat would submit a detailed document on those proposals early enough for the General Assembly to be able to consider it.

51. She noted that in practically all the programmes under Part VIII (Common support services) there had been a considerable reduction in the number of posts. For example, under section 27B, Office of Programme Planning, Budget and Accounts, a decrease of 3.6 per cent was being proposed against the appropriations for the current biennium, however, the Secretary had been unable to provide the Advisory Committee with the financial statements and tables it needed to consider the proposed programme budget nor those relating to the gratis personnel. She drew attention to paragraphs VIII.26 and VIII.29 of the report of the Advisory Committee and to paragraph 53 of document A/C.5/51/53. A similar situation existed in the Office of Human Resources Management (section 27C), where a number of posts were to be abolished. She recalled that her delegation had asked the Secretariat to give it, in writing, justifications for all the proposed cuts in posts. As the Advisory Committee had pointed out in paragraph VIII.42 of its report, it was essential to ensure that what was being delegated should be clearly spelled out in writing. Her delegation was concerned at the difficulties being experienced in the staff development and training programmes and in the language training programmes and it hoped that the necessary resources would be provided so that those activities could be continued during the next biennium.

52. With regard to Support Services (section 27D) her delegation would like to know why a number of posts were being abolished, particularly in view of General Assembly resolution 51/243 which provided for the gradual phasing out of gratis personnel. The provisions of that resolution should be fully implemented.

53. Her delegation was particularly concerned by the proposed 6 per cent reduction in resources for Conference Services (section 27E) and had already spoken at length on the subject during the general debate on the pattern of conferences. It supported the comments by the Advisory Committee regarding the introduction of net budgeting and pointed out that the Committee was still waiting for the document the Secretariat was preparing on the issue. Finally, she associated herself with the comments made by the representative of Algeria concerning the Office of the United Nations at Nairobi.

Section 28. Internal oversight (*continued*)

54. **Ms. Silot** (Cuba) while recognizing the importance of the work done by the Office of Internal Oversight Services, noted that the resources proposed for the Office represented an increase of 16.9 per cent over the current biennium – with regard to travel the increase was 43.4 per cent – and that 8 additional posts had been charged to the regular budget. She associated herself with those who believed that that growth, for what was not considered a priority activity, was excessive. She hoped that the Secretariat would take those comments into account and would make the necessary adjustments. Since the Office of Internal Oversight Services was urging all services to improve the management of their resources, it should set a good example. Paragraph 28.5 of the proposed programme budget showed an imbalance between the distribution of resources and the work programme: the resources allocated to subprogramme 1 (Central evaluation) was quite low compared to those allocated to the other subprogrammes. Her delegation would like to know what criteria had been used when distributing the resources among the subprogrammes.

55. According to paragraph 28.3 of the proposed programme budget, the relationship between the Office and the operational funds and programmes would be more substantively defined. Her delegation wondered what mandate the Office had for making that proposal. She also pointed out that the Office was planning to continue using the services of P-3 and P-4 gratis personnel; her delegation agreed with the comments made by the Advisory Committee in that connection in paragraph IX.7 of its report.

56. Referring to the description of subprogramme 1 (para. 28.17 of the proposed programme budget), she said that she was very concerned to see that the Office might seek to alter the content and, if necessary, the objectives of the main programmes of the Organization. She strongly supported the proposal to delete the phrase. She took note of the functions of the Audit and Management Consulting Division (para. 28.33 of the proposed programme budget) but drew attention to the fact that some of its activities might duplicate those of other bodies.

57. **Mr. Darwish** (Egypt) pointed out that in view of the specificity of the work done by the Office of Internal Oversight Services it was essential to avoid conflicts of interest. His delegation supported the comments made by the Advisory Committee concerning the gratis personnel and would like to know why the Secretariat proposed to continue using such personnel during the next biennium; the same applied to consultants. His delegation would like to know why it was estimated that the Office would have 450 cases of fraud to investigate in the next two years, when it had had only 191 in 1996. His delegation supported the proposal by the Committee on Programme and Coordination that the phrase "by altering their content and, if necessary, reviewing their objectives" in para. 28.17 should be deleted. It was in favour of strengthening coordination between the Office, the Board of External Auditors and the Joint Inspection Unit in order to limit duplication and reduce costs.

58. **Mr. Halbwachs** (Controller), responding to questions, said that the growth in the Office of Internal Oversight Services was more apparent than real. He recalled that in 1996-1997 the Office had been given a considerable number of new posts, but those posts had been budgeted at only 50 per cent of their cost. The increase in estimates of expenditure for 1998-1999 simply reflected full budgeting of those posts; no new posts had been established. The Committee would revert to the question of gratis personnel in the context of its consideration of the reports on the implementation of General Assembly resolution 51/243.

59. The number of cases of fraud to be handled by the Office over the upcoming biennium was only a working hypothesis. It was obviously impossible to know in advance the number of cases which the Office would be dealing with. Regarding the narrative of subprogramme 1, that was only a question of formulation. Amendment of programme content and objectives was the exclusive preserve of the General Assembly. With respect to relations between the Office and United Nations funds and programmes, the Committee had before it a report describing the situation in detail.

Section 29. Jointly financed administrative activities

Section 30. Special expenses

60. **Mr. Repasch** (United States of America) said that his delegation had asked the Advisory Committee to provide the Fifth Committee with a list of its recommendations on jointly financed activities, with an indication of the financial implications of those recommendations. He wished the submission to include the recommendations formulated by the Advisory Committee in its first report on the programme budget on the net budgeting system proposed by the Secretary-General. With regard to the proposal by the Joint Inspection Unit for the abolition of one P-5 and one General Service post and the establishment of three other posts at the Professional level, he wished to know how the Secretariat intended to proceed, given that as at May 1997, according to information provided to the Advisory Committee, there had been no vacancies in the Joint Inspection Unit.

61. **Mr. Moktefi** (Algeria) expressed his delegation's concern over net budgeting, which meant a reduction in the budget of $39.2 million. He endorsed the Advisory Committee's recommendations in paragraph 45 of its first report on the proposed programme budget (A/52/7) and asked what the implications were in view of article 20 of the statute of the Joint Inspection Unit and of article 21 of the statute of the International Civil Service Commission, which provided that the budgets of those two bodies should be included in the regular budget of the United Nations. He asked what the situation would be under the new system. Further, his delegation wished to know on what legal basis the United Nations, in the absence of an appropriation, could advance funds to the Joint Inspection Unit and the Commission pending receipt of contributions from the participating agencies. He wondered what the real reasons were for the change in the presentation of the budgets of those two bodies. He requested a written explanation, in which connection the Secretariat might wish to consult the Legal Counsel. In addition, he noted that there was negative growth in the budget of the Joint Inspection Unit, whereas other oversight bodies were being provided with additional resources. He supported the Advisory Committee's recommendation in paragraph X.11 of its report regarding the proposal for 19 established regular posts for the Joint Inspection Unit.

62. **Ms. Silot** (Cuba) reiterated her delegation's concern over the system of net budgeting and recalled the Advisory Committee's recommendation in paragraph X.5 of its report. She regretted that no explanatory paper on the system had yet been submitted even though the Committee was on the point of adopting the proposed programme budget for the next biennium. She endorsed the comments of the representative of Algeria regarding application of the system to the budgets of the Joint Inspection Unit and the International Civil Service Commission.

63. **Mr. Halbwachs** (Controller) said that the paper on net budgeting would shortly be issued as an official document of the Committee. Regarding the abolition of a post in the Joint Inspection Unit, the staff member concerned would be assigned to another post within the Organization, as was the practice in such cases.

64. **The Chairman** said that she would take it that the Committee had concluded its general debate on sections 29 and 30.

65. *It was so decided.*

Section 31. Construction, alteration, improvement and major maintenance

66. **Mr. Chinvanno** (Thailand) welcomed the importance accorded in the proposed programme budget to major maintenance, an area which, as explained in paragraph 31.5 of the proposed programme budget, had suffered seriously from budgetary restrictions. The progressive deterioration of United Nations facilities highlighted the need for preventive maintenance, the only cost-effective long-term solution. In view of new safety and environmental standards it would be wise to ensure that the renovation work took into consideration the interests of all the users of the buildings, including visitors, particularly in the case of United Nations Headquarters and the Palais des Nations at Geneva. His delegation supported the Advisory Committee's recommendations on the section as well as the appropriations requested.

67. **Ms. Buergo Rodriguez** (Cuba) endorsed the comments made by the representative of Thailand. The repeated deferral of essential maintenance work had caused innumerable problems. The situation could only worsen if the level of resources for such work was reduced over the next biennium. Her delegation wished to know when the renovation work in the Garage would be completed.

68. **Ms. Aragon** (Philippines) endorsed the comments on section 31 made by the representative of Thailand. Her delegation accorded particular importance to resources and programmes aimed at making United Nations buildings more accessible to the handicapped.

69. **Mr. Halbwachs** (Controller), responding to the representative of Cuba, said that the Secretariat would make every effort to provide the information on the completion of

the work in the United Nations Garage as quickly as possible. The overall increase of $5 million proposed under the section was intended to partially restore the level of appropriations needed after the reduction of $12 million decided on by the General Assembly when it adopted the current programme budget.

70. **The Chairman** said that she would take it that the Fifth Committee had concluded its general debate on section 31.

71. *It was so decided.*

Section 32. Staff assessment

72. **The Chairman** said that, in the absence of comments by delegations, she would take it that the Committee had concluded its general debate on section 32.

73. *It was so decided.*

74. **Mr. Repasch** (United States of America) asked for the general debate on the various sections of the proposed programme budget to remain open until the Fifth Committee had received a written document summarizing the recommendations of the Advisory Committee and their financial implications.

75. **Mr. Sial** (Pakistan) said he also thought that the general debate on the proposed programme budget should remain open until the reports to be submitted pursuant to General Assembly resolution 51/243 became available since the information concerning gratis personnel was directly related to the question of staff cuts.

76. **Mr. Sulaiman** (Syrian Arab Republic) asked the Controller to provide, before the start of the informal consultations, the information which had been requested on the Office to Combat Desertification and Drought, the Economic and Social Commission for Western Asia and the resources allocated to UNRWA. It was also essential to have the replies to the questions raised at the previous meeting by the representative of Egypt, particularly with regard to the breakdown of the planned post reductions in the translation and interpretation services. Also, his delegation wished to reiterate the importance of producing summary records of meetings in Chinese and Arabic, in conformity with the principle of parity between the official languages. Finally, it agreed that no decision on staff cuts could be made until such time as the reports on gratis personnel, which were to be submitted pursuant to resolution 51/243, became available.

77. **Ms. Buergo Rodriguez** (Cuba) said that her delegation must be provided, before the start of the informal consultations, with the clarifications or additional information it had requested concerning the various sections of the proposed programme budget. It was vital to know what were the consequences for the budget of the belated lifting of the freeze on recruitment. While a document on net budgeting would shortly be made available, the explanation required should have been provided in a timely manner, namely when ACABQ had highlighted the problems raised by net budgeting during the presentation of the budget outline.

78. **Mr. Maddens** (Belgium), speaking on behalf of the European Union, said that he would like the general debate on the proposed programme budget to remain open so as to allow the European Union to comment subsequently on one of the sections.

Organization of work

79. **Mr. Maddens** (Belgium) said that he was surprised, having examined the Committee's programme of work for the week, to see that the informal consultations scheduled for that afternoon, at which the pattern of conferences was to have been discussed, had been cancelled because of the plenary Assembly's consultations on United Nations reform. He wondered whether that decision was appropriate since, in his view, the programming of the Fifth Committee's meetings should not depend on the work of the plenary Assembly.

80. **Ms. Buergo Rodriguez** (Cuba), noting the changes to the programme of work, observed that the Bureau had not taken account of the comments made the previous day by certain delegations. Her own delegation wished to request that a list should be drawn up of all the outstanding questions relating to item 114 (Review of the efficiency of the administrative and financial functioning of the United Nations) before the start of the informal consultations on that item.

81. **Mr. Darwish** (Egypt) said that he agreed with the comments of the representative of Belgium. The Fifth Committee's meetings should be cancelled only when the plenary Assembly was considering questions that fell within the Committee's competence.

82. **Mr. Assah** (Togo) said that he also agreed with the comments of the representative of Belgium. He proposed that the informal consultations originally scheduled for that afternoon should begin at 2 p.m. and should be suspended during the meeting of the plenary Assembly, resuming once that meeting concluded.

83. **Mr. Smyth** (Ireland) said that the work of the other bodies of the General Assembly should not interfere with

that of the Fifth Committee. The Bureau should be given precise guidelines on that point. It was up to small delegations, like that of Ireland, to find a way of following the work of bodies that were of interest to them, without it being necessary to cancel meetings of the Fifth Committee. He would like to know how many meetings the Bureau had scheduled on agenda item 119 (Pattern of conferences) up to the end of the session.

84. **Mr. Sulaiman** (Syrian Arab Republic) said that it was premature, at the current point, to schedule night meetings. Those meetings should be reserved for the end of the session.

85. **Mr. Ahounou** (Côte d'Ivoire) recalled that it was at the request of members of the Fifth Committee that the Bureau was not programming meetings at the same time as the plenary Assembly's deliberations on United Nations reform. It was clear that, in the future, the Committee should continue its work without taking account of the plenary Assembly's consultations on the reforms.

86. **Mr. Ho Tong Yen** (Singapore), responsible for coordinating the informal consultations on agenda item 119 (Pattern of conferences), recalled that it had been decided not to schedule night meetings unless they were absolutely necessary, which, in the present instance, was not the case. He was willing, for his part, to work with interested delegations during a morning or afternoon meeting.

87. **Mr. Sial** (Pakistan) said that there was a need to review the Committee's programme of work in its entirety and to rationalize it in the light of the approximate number of meetings necessary to enable the Committee to reach a decision on the various agenda items allocated to it.

88. **Mr. Armitage** (Australia) pointed out that the Bureau was in the best position to draw up the programme of work; it was important, however, to bear in mind that the issue at stake in the current debate was the optimal use of the conference services available to the various bodies. Every year, the resolution on the pattern of conferences emphasized that point and it was therefore vital that the Fifth Committee should set an example in that regard. From that point of view, it would be advisable to proceed with the informal consultations scheduled for that afternoon, with the proviso that they could be suspended during the meeting of the plenary Assembly.

89. **Ms. Powles** (New Zealand) said that it ran counter to the concept of efficiency to cancel meetings at the last minute, even with the aim of enabling delegations, particularly small ones, to follow the work of the session as a whole. She fully supported the statements made by the representatives of Pakistan and Australia.

90. **Mr. Maddens** (Belgium) said that, in his view, the problem should be resolved in the manner proposed by the representatives of Togo and Egypt, the representative of Singapore having indicated that he would be prepared to coordinate the informal consultations on agenda item 119 that afternoon, as planned.

91. **Mr. Oyugi** (Kenya) said that he supported the proposal of the representative of Togo. In his view, it would not be possible henceforth for the Fifth Committee to subordinate its work to that of the plenary Assembly. Any additional delay in carrying out the Committee's programme of work would inevitably lead to night meetings at a later stage, which would create problems for small delegations.

92. **The Chairman** said it appeared, from the statements made by delegations, that the Committee wished to hold informal consultations on agenda item 119 that afternoon.

93. *It was so decided.*

The meeting rose at 1 p.m.

United Nations A/C.5/52/SR.28

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Summary record of the 28th meeting
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Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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97-82742 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 143: Report of the Secretary-General on the activities of the Office of Internal Oversight Services *(continued)* (A/51/432, A/51/530 and Corr.1, A/51/801, A/52/426, A/52/464; A/C.5/52/12)

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Reports of the Office of Internal Oversight Services (A/51/933, A/52/339 and Add.1)

1. **Mr. Maddens** (Belgium), speaking on behalf of the European Union and Bulgaria, Cyprus, Latvia, Poland, Romania and Slovakia, said that, as the Secretary-General had noted, the creation of the Office of Internal Oversight Services (OIOS) had been an effective step in the reform process. The Office's third annual report (A/52/426) was particularly detailed, useful and well-presented. The Office's activities were especially important in the context of the current reform process, above all with regard to management advising, the streamlining of procedures and the elimination of duplication. The Under-Secretary-General had rightly emphasized that the Office must work with complete independence, which meant that it must not be involved in any decisions that it might have to scrutinize later on from an oversight point of view.

2. The explanations given by the Under-Secretary-General in his preface met many of the concerns raised by Member States during the Committee's debates. On the question of how the information contained in the Office's reports was disseminated by the media, he hoped that the press, in future, would show more objectivity and responsibility.

3. It was encouraging to note that the rate of implementation of the Office's recommendations was increasing from year to year, which seemed to indicate that Secretariat officials recognized their usefulness. The consultation procedures and quality control system adopted by the Office should permit further progress on that score. That being said, it would be useful if the Secretariat could provide more details of the penalties imposed on those guilty of misappropriations that had cost the Organization dearly, especially the action taken on an earlier OIOS report on the Field Administration and Logistics Division. The substantial savings made as a result of the Office's recommendations showed the importance of its activities not only in the area of a posteriori monitoring but also in that of prevention.

4. The procedures currently governing the monitoring of programme execution were cumbersome and their findings difficult to use. Their overhaul should make it easier for programme managers and Member States to evaluate the implementation of mandates and prescribed activities. Internal oversight mechanisms also needed to be improved in order to place greater emphasis on self-monitoring to reduce waste and irregularities.

5. In view of the seriousness of the problems uncovered by the UNAVEM III audit, he would like to receive assurances that appropriate disciplinary action had been taken, or would be taken in due course. The Office of the United Nations High Commissioner for Human Rights should also act to correct the management problems identified by OIOS, and the Office of the United Nations High Commissioner for Refugees (UNHCR) should strengthen its financial infrastructure in the field, especially where relations with its operational partners were concerned. On the matter of investigations, he welcomed the cooperation between OIOS and the judicial authorities in Kenya and Switzerland. Lastly, in its handling of the conflict of interests identified in Habitat, OIOS had demonstrated the effectiveness of the advisory role which it could and must play.

6. He trusted that the General Assembly would be able to take a decision on the proposals made by the Secretary-General in his report on enhancing the internal oversight mechanisms in operational funds and programmes (A/51/801). In that connection, he noted with interest the comments made by the Legal Counsel in document A/C.5/52/12. It was encouraging to note that, in the meantime, cooperation between OIOS and the funds and programmes had been stepped up. It was particularly gratifying that the UNDP/UNFPA and UNICEF Executive Boards had decided to examine the audit reports on their respective organizations yearly and that UNHCR had shown similar pragmatism in concluding an agreement with OIOS.

7. In conclusion, the Secretary-General could count on the countries on whose behalf he was speaking to support the action taken in the area of internal oversight, on the understanding that the Office's function was not to secure budget reductions but to pinpoint inefficient management methods whose improvement would enable the Organization's resources to be used more effectively to implement its mandates.

8. **Mr. Sklar** (United States of America) said that the third annual report of OIOS confirmed that the General Assembly's decision to create an independent oversight body had been a very wise one. His delegation was pleased to hear

that the Secretary-General would continue to support the full and timely implementation of the Office's recommendations by programme managers. Such support was essential for building the more efficient and transparent United Nations intended by the General Assembly. He also commended the Office on the increasingly high quality of its reports, which set new standards of clarity and conciseness that other oversight bodies would do well to emulate.

9. The list of the reports produced by the Office over the past year was extremely useful, in that it gave an overall idea of the Office's activities. It appeared that only some reports were submitted to the Secretary-General and thus transmitted to the Member States, while others were simply used by OIOS and programme managers, although Member States could ask to be briefed on their contents. His delegation wished to know what criteria were used to determine which way a particular report would be treated.

10. His delegation was pleased that the Legal Counsel had issued an opinion, circulated in document A/C.5/52/12, confirming that the United Nations could implement OIOS recommendations, including recommendations for enhancing the internal oversight mechanisms of separately administered funds and programmes, without their formal endorsement by the General Assembly.

11. The table on page 14 of the annual report showed that almost $18 million had been saved or recovered as a result of OIOS action. While that figure was not the primary indicator of the Office's success, it was a measure of the Office's growing effectiveness. Numerous audits of peacekeeping missions had shed light on a variety of difficulties in such areas as procurement, internal controls and payments. His delegation was pleased to hear that the Department of Peacekeeping Operations was particularly diligent in implementing the Office's recommendations and hoped that other entities would demonstrate a similar responsiveness. With regard to assistance to refugees, the Office had audited expenditures of over $150 million in connection with 14 UNHCR country programmes. That was an area which, for a variety of reasons, was prone to difficulties and where there was considerable room for improvement, but his delegation was pleased that UNHCR had given increased attention to the issues involved. The war crimes tribunals were of great interest to his delegation. While it was concerned about the findings of serious and widespread irregularities in the International Criminal Tribunal for Rwanda, it was grateful that OIOS had brought them to its attention. It was also relieved to hear that things had improved noticeably in that regard. The Habitat investigation had confirmed what his delegation had feared for some time, namely, that the Staff Rules did not adequately protect the United Nations from problems of conflict of interest. His delegation would be interested to know whether OIOS, whose findings had contributed to the Secretary-General's new code of conduct, felt that the code now afforded the necessary protection.

12. The progress made must not hide the fact that more remained to be done. Delegations must continue to ensure that the Office received the resources it needed to carry out its mission and endeavour to make it less dependent on the lengthy bureaucratic procedures that had so far prevented it from recruiting all the staff it needed. With regard to the functioning of the Office, his Government was pleased that the manuals of standards for conducting investigations and audits were ready, and would expect that manuals covering inspections and evaluations would soon follow in order to ensure the consistency, professionalism and transparency of all those activities.

13. The way in which programme managers were implementing the Office's recommendations continued to be a source of concern. Even though the situation in that regard was improving, much remained to be done to create an environment in which all staff were constantly motivated to implement those recommendations and create a more effective, efficient Organization. Also, it would be interesting to know how the Office's follow-up system accounted for cases in which a recommendation had been accepted but had then not been implemented.

14. As President Clinton had said in September in his address to the General Assembly, the objective of reform was not to make the Organization smaller but to make it better. Once it was known what worked, what did not work and what could be done more effectively or more efficiently, it would be necessary to determine which activities might be better discontinued. It was up to Member States to decide, clearly and firmly, which activities the United Nations did well and should go on doing and which could be done better elsewhere.

15. **Mr. Jaremczuk** (Poland) said that he wished to make some comments to supplement the statement delivered on behalf of the European Union, with which his delegation associated itself. Poland highly commended the work of the Office of Internal Oversight Services; the establishment of the Office had been a major step in the reform process. Despite its relatively short existence, the Office had strongly proved its usefulness by contributing to a heightened sense of financial responsibility among staff, stricter observance of rules and regulations and elimination of irregularities that were damaging to the Organization, and by encouraging

managers to apply self-evaluation principles during the decision-making process.

16. The concrete results of the Office's activities were shown on page 14 of the report, and the increase in the implementation rate for its recommendations was encouraging. However, it was clear that over half the amount saved or recovered as a result of the Office's actions came from recommended budget reductions. Unfortunately, the other types of recommendations had not been followed up to the same extent: those aimed at reducing expenditures, for example, had yielded no results at all.

17. However, it seemed that at least moderate improvements could be noted in most of the units concerned. However, the fact that there were some particularly serious cases was a source of deep concern. Managers at all levels absolutely must act promptly to correct the problems that had been revealed and prevent any reoccurrence of such situations.

18. **Mr. Hanson** (Canada), speaking also on behalf of Australia and New Zealand, noted with pleasure that during the period covered by the report the Office had identified cost savings and recoveries totalling $29.3 million, of which $17.8 million had been realized. Adding to that result were the deterrent effect of the Office's very existence, which could not be measured, and, most importantly, the enhanced transparency, responsibility and efficiency of the Organization's operations. Internal oversight was an integral part of the new management culture that would make the United Nations more capable not only of saving money but also of accomplishing its objectives and mandates.

19. As the Under-Secretary-General had noted in the preface to his report, the mass of rules and regulations that had piled up over the decades was more likely to confuse staff than guide them in their activities, a fact which did not prevent that huge mass from having lacunae: for example, there was no adequate definition of "conflict of interest". It was to be hoped that the Code of Conduct, although still in draft form, would substantially remedy that problem.

20. While noting with satisfaction that the Office had refined its procedures for client consultation and had introduced a quality control system, his delegation would appreciate more information on the "other methods" mentioned in the preface to the report in respect of quality control.

21. His delegation was encouraged to note that the Organization was making more aggressive attempts to recover sums lost as a result of administrative lapses or outright fraud, going so far, in cases where it was warranted, as to engage the processes of administrative and even criminal justice. Caution was nevertheless required, as a number of past events had shown. Several staff members accused of misconduct had been suspended and disciplinary procedures had been engaged. The Joint Disciplinary Committee had ruled not only that there had been no misconduct, but also that there had been no evidence of any misconduct at all. The case had been appealed to the Administrative Tribunal, which had also found in favour of the staff members because, among other things, due process had not been observed. Ultimately, compensation had been paid to the staff members, the cost of which had been borne by Member States, and all parties had lost in one way or another. His delegation had noted from the report that actions had been taken against a number of staff members and vendors. It was not known when they had been informed of the accusations against them or if they had been given an opportunity to respond. The Under-Secretary-General did indicate in his report that some information had been left out in order to protect individuals' rights, and it was to be hoped that that concern would always be reflected in the Office's activities and its reports. In that regard, it was important for precautions to be taken to prevent any recurrence of documents containing allegations against named individuals falling into the hands of the press and being published.

22. His delegation agreed with the conclusions contained in paragraphs 6 and 7 of the memorandum from the Legal Counsel (A/C.5/52/12, annex): the Office's recommendations were not submitted to the General Assembly for approval. The Office's annual report was submitted to the Assembly for information. For the Assembly to express a view on the findings or recommendations contained in the report could be prejudicial to due process and to administrative, disciplinary, arbitration and legal procedures under way in the cases concerned.

23. The failings cited by the Office could be prevented or corrected by sound management. The Office played a useful role in that regard and should continue to do so, particularly in the areas of performance measurement and enhancing management skills.

24. **Mr. Darwish** (Egypt) said that the report of the Office of Internal Oversight Services (OIOS) revealed the existence of numerous administrative and financial irregularities, which should be vigorously suppressed by the competent bodies and closely monitored by Member States.

25. The Egyptian delegation approved of the choice of areas which the Office had decided to inspect as a matter of priority, namely, peacekeeping operations, humanitarian

activities and procurement, and welcomed the Office's observations about the need to improve the quality of horizontal communication within the Secretariat and within separately administered funds and programmes. It wished to know what corrective measures were proposed for the numerous regulations that were obstacles to the sound management of the Organization's human and financial resources, and it hoped that the recently published code of conduct would help to fill the gaps that existed in the legal instruments of the Organization, including in the area of conflicts of interest. While it welcomed the transparency of the report prepared by the Office, the Egyptian delegation would have preferred to see a listing of those shortcomings in the report. It also wished to know whether there was a unit within the Secretariat that was responsible for ensuring the follow-up to the recommendations which the Office had made on the cases of fraud, falsification or embezzlement mentioned in the report, and whether arrangements had been made to severely punish the authors of such misappropriation of funds and to prevent them from being employed in other branches of the Organization. Regarding the case of falsification and embezzlement that had been discovered in the United Nations Relief and Works Agency for Palestine Refugees in the Near East, which had cost the Organization $355,000 between 1992 and 1995, Egypt wished to know whether any attempt had been made to recover that sum and whether the perpetrator of the fraud had been punished. It would also welcome additional information on the underutilization of the two aircraft which had been used for mission support activities in the former Yugoslavia and on the disposition of unserviceable munitions.

26. The Egyptian delegation would have preferred the media to pay greater attention to the significant achievements of the Office, instead of focusing on the financial and administrative irregularities revealed in its report in order to denigrate the United Nations. It also hoped that the cooperation between the Office and the programmes and funds of the United Nations would help to strengthen internal oversight activities.

27. **Ms. Silot Bravo** (Cuba) again asked why the reports of the Secretary-General on the activities of the Office were accompanied by a preface by the Under-Secretary-General for Internal Oversight Services, which was contrary to common practice. Unfortunately, the preface tended to evaluate the performance of the Office in terms of its impact on the media and on public opinion and she wished to recall that the Office had been established by resolution 48/218 B to guarantee the implementation of the mandates given by Member States.

28. The Cuban delegation noted that the Office was endeavouring to improve its system of consultations with clients, the quality of its recommendations and the process for the preparation of its reports. It wished to know to what extent consideration had been given in that process to the views of programme managers and to the provisions of resolution 48/218 B.

29. She would welcome clarification of a number of points in connection with the table presented on page 14 of the annual report: what budget reductions had been made during the current biennium in conformity with OIOS recommendations? What activities and budget sections were affected by those reductions? Had the amount of $104 million in cost savings, which had been decided upon in resolution 50/214, been surpassed? Was it possible to have more detailed information on the role of the Office in the efficiency reviews requested in resolution 51/221? How could the $10.1 million indicated in that table as resulting from the implementation of OIOS recommendations be reconciled with the cost savings reported by the Secretary-General in document A/51/873? Where were the losses caused by the electronic access system at Headquarters reported? She regretted the Office's failure to identify those responsible for the above-mentioned losses. Lastly, she wished to know how the Office had been able to participate in the budget process, since it did not have a mandate to do so.

30. Her delegation noted that the Office was currently establishing guidelines to facilitate evaluation and oversight of its own activities, which should help to prevent overlapping among its different subprogrammes. It also took note of the priorities of the Office and found the audits of peacekeeping operations and related procurement to be very useful. She wished to reiterate that the creation of new bodies was the exclusive prerogative of Member States.

31. The Office recommended increased use of outsourcing to improve efficiency and reduce costs. That practice, however, could have an adverse impact on the quality of the services provided to Member States and on observance of the principle of equitable geographic representation. The delegation of Cuba hoped that the General Assembly would exercise prudence in making recommendations on that subject.

32. The process of consultation with the policy-making organs of operational funds and programmes was still in its initial stages. In many cases, the policy-making organs had merely taken note of the report, without taking any decision on the substantive issues raised. In that connection, the Cuban delegation was of the view that, in its monitoring of

funds and programmes, the Office should not exceed the limits of its mandate. It therefore believed that the recommendations contained in its report (A/51/801) were inappropriate, particularly those concerning the unification of reporting procedures and those aimed at giving the Office greater responsibility for enhancing internal oversight mechanisms in the funds and programmes.

33. In document A/C.5/52/12, the Legal Counsel gave an opinion on the role of legislative bodies in the process of reporting on the activities of the Office. Her delegation would welcome information on the particular mandate that authorized the Legal Counsel to reinterpret a decision that was for intergovernmental bodies to make. It wished to know how the Office had taken into account, in its recommendations for enhancing the internal oversight mechanisms in operational funds and programmes, the opinions of their policy-making organs which, in many cases, had not yet taken any decisions on the matter. Cuba reserved the right to return to the issue and wished to express at once its serious reservations on the opinion expressed by the Legal Counsel, which seemed to be tendentious and to constitute interference in the process of intergovernmental negotiation.

34. Cuba welcomed the concrete measures that had been taken to strengthen cooperation between the Office and external oversight bodies. It hoped that progress would continue to be made in that direction and stressed the need for full compliance with the provisions of paragraph 5(c) (iii) of resolution 48/218 B.

35. The proposed programme budget for the biennium 1998-1999 requested for the Office total resources that were 16 per cent greater than the amount which had been approved in the current budget, as well as an increase of 43.4 per cent in the resources earmarked for travel expenses and an increase of eight posts over the comparable figure for the biennium 1996-1997. In addition, the Secretary-General intended to convert seven temporary posts into permanent posts and to continue to use the services of gratis personnel and of consultants and experts. In that connection, the Cuban delegation, like the Advisory Committee for Administrative and Budgetary Questions, believed that there was no need to have recourse to the services of gratis personnel for the activities of the Office and that it would be better to put an end to that practice as soon as possible, in accordance with the provisions of General Assembly resolution 51/243. It also believed that the Office should make as little use as possible of the services of consultants and experts. It was surprising, moreover, to note that a significant increase had been proposed in the resources to be allocated under that section, even though the General Assembly had not listed it among its priorities and the budget reductions proposed in other areas would have an adverse impact on programme execution. The Cuban delegation hoped that the necessary steps would be taken to ensure that double standards would no longer be used in the proposed programme budget.

36. Lastly, she hoped that the Fifth Committee would give due consideration to the priorities set by the General Assembly when it took a decision on the activities of the Office of Internal Oversight Services.

37. **Mr. Kabir** (Bangladesh) commended the work of the Office and welcomed the steps taken to improve the presentation of the annual report by including a list of the reports submitted between 1 July 1996 and 30 June 1997. It was gratifying to note that a number of the Office's recommendations had been implemented, but his delegation wished to have more details on the effect of the savings resulting from the Office's activities on the work of the bodies concerned. In his preface the Under-Secretary-General had said that duty stations away from Headquarters seemed very distant from New York in terms of work procedures, common goals and shared values. That was disturbing; the Office should be asked whether it had analysed the reasons for those differences and whether it had taken steps to rectify the situation, bearing in mind the diverse cultures and needs of Member States.

38. The Under-Secretary-General had also indicated that rules and regulations often protected staff members from being held accountable and had done too little to protect the interests of the United Nations. His delegation supported any measures to strengthen a sense of responsibility and discipline, although it found it hard to understand how there could be any divergence between the interests of the Organization and those of the staff. He also shared the view of the representative of the Republic of Korea that the Office should not draw attention only to deficiencies but should also recognize successes and satisfactory results.

39. His delegation endorsed the priorities set by the Office: peacekeeping, humanitarian activities and procurement. It noted that satisfactory results had been achieved in the various Secretariat departments, but the persistence of irregularities and embezzlement in some peacekeeping missions and in the area of procurement was worrying. His delegation hoped that the matter could be rectified.

40. With regard to the Centre for Human Rights, the Office had stated that vacancies at the intermediate managerial level had continued to be offered internally and that the skill profile remained uneven. It had recommended that a particular effort should be made to fill future vacancies through external recruitment in order to strengthen the

Centre's expertise. That recommendation seemed reasonable, but he wondered whether the Office had paid sufficient attention to the technical support that the Centre could provide for developing countries, since that was another important area of activity.

41. The Office had noted deficiencies and irregularities in the operation of the International Criminal Tribunal for Rwanda. The workings of several organs of the Tribunal had been affected by short-term funding arrangements that had limited the ability to recruit the necessary experienced staff. The Office had emphasized the need to provide the Tribunal with sufficient funds and had made recommendations in that regard which he fully endorsed.

42. With regard to the recruitment of experts and consultants in the Department of Development Support and Management Services, mentioned in paragraph 100 of the annual report, deficiencies persisted, in part because recruitment sources were not sufficiently diversified. His delegation considered it most important that recruitment should take place on the basis of equitable geographical distribution.

43. Turning to the question of strengthening internal oversight mechanisms for operational funds and programmes, he noted that in some cases there was a satisfactory level of cooperation between the Office and those bodies; however, difficulties could arise. Operational funds and programmes should themselves determine the kind of cooperation they wished to establish with the Office to enhance their capacities. In that regard it would be wise to heed the views of the Legal Counsel contained in document A/C.5/52/12 in order to clarify the situation.

44. **Mr. Watanabe** (Japan) said he wished to emphasize five points. First, given the importance of the Organization's regular budget and the peacekeeping budget, the concepts of transparency and accountability were crucial. They should apply first of all to the Office itself; the basic purpose of oversight was to promote transparency and accountability. Secondly, the concept of checks and balances was also very important. The office enjoyed a certain independence within the Secretariat, and his delegation welcomed the fact that it could report directly to the Secretary-General. Thirdly, activities should be put in order of priority. There were limited resources available, and in the context of reform choices had to be made. The Office had therefore been right to focus on peacekeeping, humanitarian activities and procurement. Fourthly, it must be noted that after three years of existence the Office had achieved real results, particularly in terms of savings, and should be congratulated for that. Fifthly, while relations with the media were indeed difficult, the media had a very important role to play, and the support that they could give the Office should not be overlooked. Lastly, he emphasized his country's complete support for the Office's activities.

45. **Ms. Peña** (Mexico) drew attention to paragraph 91 of the report, which dealt with audits conducted at the Subregional Office of the Economic Commission for Latin America and the Caribbean in Mexico City, and noted that the Office of Internal Oversight Services had been informed that appropriate action had been taken to remedy inadequate monitoring of subprogramme implementation and cases of over budgeting and inadequate compensation of costs. She wished to be given further information on those measures through informal consultations or through bilateral channels.

46. Turning to document A/C.5/52/12, in which the Legal Counsel gave his opinion on certain provisions of General Assembly resolution 48/218 B, she said she did not share the view that the Office's recommendations should be transmitted to Member States for information without the General Assembly having to take a decision on them. Of course, the Office could make recommendations on routine management which did not need to be approved by intergovernmental bodies, but it had no business assuming powers that belonged exclusively to Member States with regard to programme matters or the creation of oversight mechanisms for operational funds and programmes.

47. Lastly, she requested a breakdown of the savings reported by the Office, which had been achieved as a result of its activities.

48. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services) thanked the delegations which had expressed their support. Internal oversight was not in and of itself highly appreciated, but it was indispensable in a huge bureaucracy, and all large organizations had to consider it an aspect of management. The interest displayed by Member States was crucial in determining the influence that the Office could exercise within the United Nations.

49. He first wished to thank the representative of Ukraine for his positive statement in which he had said that the Office should keep its priorities constantly under review and should reorganize its work to focus on the productivity, recruitment and employment of consultants and on short-term appointments and other issues. The Office was actively seeking to improve its working methods, and the questions raised by the representative of Ukraine would be included in some of the reports that he proposed to issue shortly.

50. In reply to a question from the representative of Saudi Arabia, he confirmed that the Audit and Management

Consulting Division regularly monitored United Nations profit-making activities and that the gift shop would therefore be included in the audit cycle. The representative of Saudi Arabia had also asked for clarification of the significance of the Legal Counsel's opinion that the Office's reports should be communicated to programme directors for implementation of the relevant recommendations and that the General Assembly should subsequently be informed of any measures taken, with the annual report submitted to the General Assembly solely for information. As far as the Secretariat was concerned, that simply meant that it was for programme directors to give effect to the Office's recommendations. Naturally, it was expected that the General Assembly would give its opinion on the recommendations and on the work of the Office and that its discussions would draw on the information contained in the reports, but there was no need for it to approve the recommendations.

51. Replying to the representative of Algeria, who had sought some clarification about the cost savings and recoveries indicated on page 14 of the Office's annual report, he said that one thing should be borne in mind when considering the table: while it was a responsibility of the Administration to take action to save costs and recover overpayments, such cost savings and recoveries sometimes depended on decisions taken by other bodies – the joint appeals bodies, for example – which determined the exact amount of the savings and recoveries effected. They were not necessarily stated during the period under consideration or for the financial year to which they belonged, even if the Administration had already taken certain measures. For example, the cost savings and recoveries recommended by the Office for 1996-1997 amounted to about $29 million, but many recommendations had not yet been acted upon. Almost $18 million in cost savings and recoveries had also been reported for the same financial year, but that amount included sums declared during that period and resulting from the implementation of recommendations adopted during the year in question or earlier years. The Office used several categories of statistics which could be illustrated by examples. The category "Recoveries" included incorrect payments identified by the Office which the Administration had to recover. The recommendation addressed to ECLAC concerning the recovery of rent overpayments totalling $291,000 made by the Organization owing to an over-estimate of the area of the premises occupied by ECLAC in Mexico fell in that category. The second category, entitled "Prevention of overpayment" applied to circumstances in which transactions would have involved overpayments if the OIOS auditors had not intervened. The audit of the United Nations Centre for Human Settlements had for example led to a reduction in that body's expenditure account. The third category was "Expenditures reduction". It was usually a question of specific recommendations made by the Office which resulted in lower expenditure thanks to cost savings or increased productivity recommended by the auditors. The unspent amounts remained in the budgets of the units concerned and could be re-used for other priorities. For example, the Office had recommended the implementation of the proposed plan for the redeployment of the equipment used by UNAVEM III in its air operations, which would lead to cost savings and rationalization of the operations. The category "Prevention of excessive or unjustified expenditure" applied to situations in which the Office had intervened in good time to prevent excessive or unjustified expenditure. For example, following an OIOS audit of the programmes implemented by the Office of the United Nations High Commissioner for Refugees in Bosnia and Herzegovina it had been recommended that the amount of reimbursements made to an operational partner for project expenditure should be cut by $174,000 since some of the advances had not been used and some supplies had been invoiced but not delivered. The last two categories were "Additional income" and "Budget reduction". They concerned respectively the recommendations made by the auditors for the development of income-generating activities and for reduction of the appropriations requested by various offices. In the first case, for example, OIOS had recommended that the Economic Commission for Africa and the Economic and Social Commission for Asia and the Pacific should raise the rents which they charged for premises let to private clients or other United Nations bodies in order to bring them closer into line with the rates generally charged; in the second case, it had recommended a reduction of the accommodation appropriations requested by the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) since the local authorities had made facilities available free of charge.

52. Replying to the Indian delegation, which had requested clarification about the inspection of the International Trade Centre (ITC), he said that the recommendations addressed to the Administration in the inspection report were intended to strengthen the management of the Centre by establishing appropriate internal monitoring mechanisms dealing in particular with improvement of staff skills, rationalization of administrative services, and other internal arrangements for providing collective guidance. The inspection report dealt with matters connected with internal management, and the implementation of the recommendations did not require

any decisions by legislative bodies. However, a discussion of the Centre's guidance mechanisms in the Joint Advisory Committee, which was its principal management authority, would be legitimate and welcome.

53. The Korean delegation had stated its concern about the negative image which the media sometimes gave of the Office's work and it had stated that the Office should point out the successes and try to present a more balanced picture to the outside world. In fact, the annual report did give due credit to a number of departments and "clients" for their receptiveness. It was true that the media sometimes used pejorative language to describe the functions of OIOS, but there was no magic formula for persuading them not to do so. At the time of the publication of the annual report, he had taken pains to highlight the positive aspects and the progress made by the Organization in the battle against fraud, waste and irregularities. But if the media concentrated exclusively on the negative aspects there was nothing that could be done. A number of press articles had in fact given an objective account of the annual report. That was not true of the article published recently in *The New York Times* supplement, which had grossly distorted the reality and had used information normally reserved strictly for internal use. The United Nations did not have and had never had a clearly defined policy on the modalities for use of internal documents. Documents could be freely reproduced. Moreover, OIOS had to communicate its draft reports within the framework of the dialogue which it maintained regularly with its "clients" and the bodies which were audited. It was thus impossible to identify the source of any leaks with a view to taking the necessary disciplinary action. The situation was no doubt regrettable, but it could not be corrected except by taking draconian measures which would impair transparency in the Organization and would therefore be judged unacceptable.

54. The delegation of Mozambique had rightly stressed the need to maintain and strengthen the Office's independence. On the point raised by the Russian Federation, he drew attention to the establishment of a computer system which ought to enable the Office to track the application of each of its recommendations. In reply to the question from the representative of the United States about the criteria used for the selection of reports to be published, he said that all the reports written at the express request of the General Assembly were submitted to the Assembly, as were reports on in-depth evaluations and inspections. In the case of audit reports, one of the criteria used for deciding that a given report should be submitted to the Assembly was the question of whether its conclusions were sufficiently important and complicated to justify an interest on the part of the Assembly. The size of the sums in question and the detection of fraud or irregularity were other relevant considerations. From another standpoint, it would be wrong to inundate the General Assembly with routine audit reports produced as part of everyday oversight activities. It was clear that in the case of investigation reports caution and respect for the guarantees of due procedure were necessary, as Canada had rightly emphasized. If the Secretary-General specifically requested the Office to take up a particular matter in order to help him to discharge his responsibilities as Chief Administrative Officer, the Office would no doubt be required to report only to the Secretary-General and not necessarily to the Assembly. With regard to the Code of Conduct, also mentioned by the representative of the United States, the adoption of the code by the General Assembly would constitute only a first step towards solving the problems raised by the Office in the course of its work. It would then be necessary to amend the Staff Regulations and Rules, a matter requiring more detailed examination. Lastly, if any recommendations remained dead letters, OIOS always requested programme directors to justify the cases of non-implementation. Circumstances could change and recommendations might no longer be valid. However, if they were still valid, the Office continued to demand their implementation. He requested the Chairman to allow him to defer to a subsequent meeting the replies which he wished to give to other delegations.

The meeting rose at 12.05 p.m.

United Nations A/C.5/52/SR.29

General Assembly
Fifty-second session

Official Records

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Fifth Committee

Summary record of the 29th meeting
Held at Headquarters, New York, on Friday, 14 November 1997, at 10 a.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 113: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

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Agenda item 143: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

Organization of work

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97-82808 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 113: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/52/261, A/52/381 and A/52/518)

(b) United Nations Institute for Training and Research (*continued*) (A/52/5/Add.4)

(c) Voluntary funds administered by the United Nations High Commissioner for Refugees (*continued*) (A/52/5/Add.5)

1. **Mr. Gjesdal** said that his delegation fully supported the recommendations of the Board of Auditors, whose mandate had become ever more important in the context of the economy measures necessitated by the gravity of the Organization's financial situation. In that context, the Board should not hesitate to describe examples of good management, which would promote its ultimate aim of improving programme delivery.

2. The overall structure of audit, oversight and inspection bodies at the United Nations was satisfactory and was now operating in a fairly well-coordinated manner. His delegation had been pleased to learn that the Board of Auditors, the Joint Inspection Unit and the Office of Internal Oversight Services were going to hold a first tripartite meeting to strengthen coordination and synergy between them. On the other hand, follow-up to previous audit recommendations remained uneven, as demonstrated by the Secretary-General's report (A/52/381). In a certain sense, any audit activity was only as useful as the follow-up to it. He therefore noted with appreciation that the Board had followed the Advisory Committee's recommendation that it should make recommendations more precise and more focused, and that it should draw attention to its previous recommendations which had not been fully implemented.

3. Strengthening management in the field, particularly with regard to the audit function, asset management and the liquidation of completed operations, continued to be important. There was a need for the United Nations system as a whole to cooperate at the country level to enhance the capacity of implementing and executing agencies through, for example, coordinated audit follow-up. As the Advisory Committee had suggested, the findings of the Board of Auditors should be considered collectively at the end of the biennium, preferably by the Administrative Committee on Coordination.

4. Most of the findings and recommendations of the Board of Auditors on the voluntary funds administered by the Office of the United Nations High Commissioner for Refugees (UNHCR) continued to relate to its implementing partners, among which the auditors had found several major categories of persistent irregularities. UNHCR was a very field-oriented agency, and its unavoidable increasing dependence on non-governmental organizations posed a particular challenge for oversight functions. He welcomed the efforts to rectify those problems, and, without denying the importance of extensive audit, believed that UNHCR was generally well managed and well led.

5. He supported the recommendations on the need to review programme delivery and administrative costs, as well as those relating to project planning and the definition of objectives. He had noted the comments on quick impact projects: the concept seemed very useful, but there was, perhaps, a need to develop other approaches in dealing with challenges in that area. Lastly, he found the observations of the Board on procurement and human resources very relevant, not least in view of the increased decentralization of UNHCR activities.

6. **Mr. Mwakawago** (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, welcomed the clarity and reader-friendliness of the reports of the Board of Auditors. He noted that the Advisory Committee had proposed that the two reports under consideration should be submitted biennially so as to coincide with those relating to other funds and programmes, and he looked forward to the comments of the two administrations concerned at the fifty-third session of the General Assembly.

7. In general, the Group of 77 and China supported the recommendations and findings of the Board, as well as the recommendations of the Advisory Committee. The Group of 77 and China attached great importance to the work of the United Nations Institute for Training and Research (UNITAR) and of UNHCR, and thus believed that the recommendations should be acted on as quickly as possible and avoid the fate of several earlier recommendations, some going back to 1993, which had not been implemented. The two administrations must take immediate steps to implement all the recommendations of the Board.

8. He noted with satisfaction that the Board had issued an unqualified opinion on UNITAR's financial statements. UNITAR, as it had been advised, had taken steps to improve accounting for non-expendable property and the processing of inter-office vouchers with UNDP, and had generally complied with United Nations accounting standards. He endorsed the Board's view that long-standing deficits under

the Special Purpose Grants Fund should be resolved promptly, and that UNITAR should write off uncollectable amounts. The Group of 77 and China were also concerned over the substantial shortfall in income over expenditure in the General Fund for 1996 and the need for sufficient income to secure the long-term future of the Fund. He supported the Advisory Committee's suggestion that UNITAR and the United Nations should seek the advice of the Office of Legal Affairs in order to settle the matter of charges between UNITAR and United Nations Headquarters.

9. The Group of 77 and China noted that UNITAR had taken steps to improve programme planning, monitoring and evaluation; however, there was room for further efforts in those areas. The five programmes examined by the Board of Auditors had been implemented within their respective budgets, and the manner in which UNITAR evaluated the quality and impact of its training materials was satisfactory. Four of those five programmes had clearly defined programmes of assistance; in the case of the fifth programme, clearer targets should have been developed and more attention should have been paid to selecting partner institutions, monitoring programme delivery and assessing the added value of pilot projects.

10. The more extensive problems which the Board of Auditors had found in UNHCR were a matter of grave concern. The Board had noted some cases of non-compliance with the United Nations System Accounting Standards; corrective measures must be taken in that regard. The Group of 77 and China supported a number of the Board's recommendations on financial management issues. With respect to programme management, they were concerned about the lack of established norms for programme delivery and administrative support costs. Projects should have clearly defined objectives and should be monitored and evaluated more carefully. Subproject descriptions should be improved, and the capabilities of implementing partners should be assessed.

11. Deficiencies in the engagement of consultants and experts were also a matter of concern, which the Board of Auditors had described extensively in its report. The Group of 77 and China fully supported the recommendations made in that regard. Once it had been determined that outside expertise was necessary, the terms of reference of consultants should be clearly spelled out. Greater use should be made of the roster of consultants, which should be updated regularly and should reflect the widest possible geographical distribution of the persons selected. Repeated engagement of the same consultants should be avoided.

12. To improve its asset management system, UNHCR could, as recommended by the Advisory Committee, adapt the system recently established for the Department of Peacekeeping Operations. The Group of 77 and China also agreed with the Advisory Committee that deficiencies and delays in the settlement of travel claims and the liquidation of travel advances should be addressed. With respect to procurement, although some improvements had been made, it was disturbing to note that a very high percentage of contracts, in terms of both number and value, were awarded to suppliers in developed countries. UNHCR rightly sought to discourage international procurement of products that could be sourced competitively at the local level, but should still take steps to establish a roster of suppliers on as wide a geographical basis as possible, and should try to include on the roster all vendors in developing countries that met the conditions required.

13. The Group of 77 and China attached great importance to the work of UNITAR and UNHCR, and trusted that the necessary improvements would be made in the near future.

14. **Mr. Yamagiwa** (Japan) said he appreciated the quality of the work of the external oversight bodies, including the Board of Auditors, and hoped that they would further enhance their reciprocal cooperation and coordination. The reports of the Board of Auditors, particularly the one on voluntary funds administered by UNHCR, were very well organized. The summaries of findings and recommendations at the beginning of the reports, which referred to the paragraphs in which more details were given, were very useful. That method should serve as a model for other lengthy United Nations documents.

15. Without minimizing the importance and relevance of the Board's observations on UNHCR, his delegation felt that the measures taken by UNHCR in response to them and the extraordinary circumstances in which it must operate, which were described in the Secretary-General's report (A/52/381), should be given due consideration. For example, to ensure that its implementing partners submitted audit certificates (recommendation 10 (a)), UNHCR had taken the welcome initiative of making the audit certification clause mandatory for all projects as from 1 January 1997. In addition, UNHCR agreed that it must intensify its efforts to obtain project monitoring reports from the implementing partners (recommendation 10 (h)), but also pointed out that those partners were not always in a position to submit reports in a timely manner, since they could encounter difficulties such as budgeting in more than one currency or expenditure in more than one location. His delegation took due note of the fact that UNHCR had begun to screen potential

implementing partners in the light of their ability to produce timely reports.

16. **Ms. Shearouse** (United States of America) said she strongly supported the recommendations made by the Board of Auditors with a view to addressing the problems found in UNHCR. She was particularly concerned about the difficulty in obtaining audit certificates from implementing partners. In that connection, the figures in the table in paragraph 24 of the report were unacceptable. In addition, UNHCR seemed to engage the same consultants repeatedly, without first ensuring that the tasks assigned to them could not be carried out using in-house expertise. Those and other problems were not new; it was therefore essential for UNHCR to solve them without further delay and to ensure that the same problems were not noted again in the next report of the Board of Auditors.

17. With respect to UNITAR, it was astonishing to note that nothing had been done to implement the recommendations made in 1993, 1994, 1995 and 1996 on the need to solve the problem of deficits in some Special Purpose Grants Fund projects. She wondered whether the Board of Auditors could shed any light on the reasons for the Institute's incomprehensible position.

18. Her delegation felt that it was time to change the duration of the Board members' mandate, which was not consistent with the biennial cycles. Although her delegation did not have a final position on the issue, a six-year mandate seemed reasonable, on condition that it should be non-renewable so as to ensure the independence of the auditors while giving a larger number of countries the opportunity to be represented on the Board. Lastly, her delegation asked when the management review of the International Civil Service Commission and the special audit of the Integrated Management Information System would be published.

19. **Mr. Van de Velde** (Belgium), speaking on behalf of the European Union, said that he strongly supported the observations and comments of the Board of Auditors.

Agenda item 143: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/51/432, A/51/530 and Corr.1 and A/51/801; A/52/426 and A/52/464; A/C.5/52/12)

20. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services) said, in reply to the Canadian delegation, that the procedures adopted by the Audit and Management Consulting Division of the Office of Internal Oversight Services incorporated quality assurance measures into each stage of the audit process. He discussed the Office's various functions (evaluation, inspection and investigation), referring to the relevant sections of the Office's manual and noting that the Office always took care to ensure communication with the departments concerned, to cooperate with them and to follow standard procedures. He regretted that the Canadian delegation had referred to events which had taken place before the establishment of the Office.

21. In reply to the observations made by the Egyptian delegation, he confirmed that focal points had been designated in all the departments concerned to deal with internal oversight matters and to ensure follow-up action on the Office's recommendations. The same was true of field missions, in which the resident auditors were primarily responsible for those functions. With respect to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the results of the fraud investigation had been transmitted to the relevant law enforcement agencies and, he hoped, would lead to the punishment of the culprits and the recovery of at least some of the funds embezzled.

22. In response to a question put by the Cuban delegation as to how the opinions of programme managers were taken into account in the Office's reports and recommendations, he said that programme managers were consulted at an early stage in the oversight process, their views were taken into account in draft reports, and their formal comments on the latter were included in the final report. As for the table on page 14 of the annual report of the Office, the entities affected by the budget reductions were the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES), where the provision of $4 million for the rental of premises had been eliminated because the rental cost was being borne by the host country, and the International Criminal Tribunal for the former Yugoslavia, the budget provision for which had been reduced by $6.1 million, as detailed in document A/51/824. Those reductions pertained to activities outside the regular budget and were therefore not part of the $104 million in savings requested in General Assembly resolution 50/214. It should also be noted that the budget reductions recommended by the Office had not been taken into account in the Secretary-General's reform proposals in document A/51/873. As for the United Nations Access Control System (UNACS), the Office had made recommendations in its previous annual report, but it should be noted that the table on page 14 concerned savings, rather than losses or waste.

23. As had been correctly emphasized, the Office had no mandate to interfere in the budget process. That was not, however, what it was doing when it recommended budget

reductions; it was responsible for pointing out waste and inefficiencies, and preferred to intervene before the money was spent. With regard to outsourcing, it should only be resorted to when it enabled better results to be achieved less expensively, and only for non-core activities. As for the questions regarding the legal opinion contained in document A/C.5/52/12, they should be answered by the Office of Legal Affairs.

24. With regard to the Centre for Human Rights in Geneva, the Office had made specific recommendations in document A/49/892 regarding the quality of technical assistance provided by the Centre and, since it was concerned about the lack of technical skills to provide such assistance, it had emphasized that aspect in its review of the follow-up to those recommendations.

25. He confirmed that the management of the regional office in Mexico of the Economic Commission for Latin America and the Caribbean (ECLAC) had indeed dealt with the problems identified by OIOS and categorically stated that the latter was only carrying out the mandate given to it by the General Assembly in resolution 48/218 B, without infringing on the privileges of Member States.

26. **Ms. Silot Bravo** (Cuba) said that some of the questions put by her delegation had not yet been satisfactorily answered, particularly those dealing with the improvement of mechanisms for the internal oversight of funds and programmes, and that she would raise them again in the informal consultations.

27. **Mr. Herrera** (Mexico) asked what measures had been taken by management in respect of ECLAC and, in response to the Under-Secretary-General's last remark, said that he did not doubt that the Office was complying strictly with its mandate.

28. **The Chairman** said that, if he heard no objection, he would take it that the Committee had concluded its general discussion on agenda item 143.

29. *It was so decided.*

Organization of work

30. **The Chairman** said that, under agenda item 121, the President of the Federation of International Civil Servants' Associations (FICSA) had asked to make a statement to the Fifth Committee. Since the Administrative Committee on Coordination (ACC), the Consultative Committee on Administrative Questions (CCAQ), and the International Civil Service Commission (ICSC) had decided to give the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) the same level of access as FICSA, he would take it, if he heard no objection, that the Committee wished to hear the representatives of both FICSA and CCISUA.

31. *It was so decided.*

32. **Mr. Sial** (Pakistan) pointed out that the general discussion on the proposed programme budget for the biennium 1998-1999 had not been concluded, since the report on gratis personnel had not been issued. He asked whether the report had now been published, and emphasized that the issue of staff reductions – one of the most important aspects of the budget – should be considered at the same time as that of gratis personnel.

33. **Ms. Buergo Rodríguez** (Cuba) said that her delegation had understood that the outstanding issues regarding the proposed programme budget would be discussed in a formal meeting. No meeting had been scheduled for that purpose, and she wondered how the Committee planned to proceed.

34. **Ms. Shearouse** (United States of America), recalling that she had requested information from the Advisory Committee on Administrative and Budgetary Questions and noting that no representative of the Advisory Committee was present, asked that the information in question should be provided at the next meeting.

35. **The Chairman** said that a formal meeting would be organized as soon as the information and reports requested were available.

36. **Ms. Buergo Rodríguez** (Cuba) drew attention to a letter dated 16 October 1997 addressed to the Chairman of the Fifth Committee by the Chairman of the Sixth Committee with regard to the resolution on the United Nations Decade of International Law, in particular paragraphs 9 and 10 thereof, which concerned, *inter alia*, the cost of diffusing certain publications on the Internet, she said that the Sixth Committee should be informed that it could not take a decision until the Fifth Committee had considered the matter.

37. **The Chairman** recalled, in that connection, that he had addressed a letter to the President of the General Assembly concerning compliance with rule 153 of the rules of procedure of the General Assembly, with the request that it should be circulated to the Chairmen of the Main Committees. He believed that that had been done.

The meeting rose at 11.15 a.m.

United Nations A/C.5/52/SR.30

General Assembly
Fifty-second session

Official Records

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Fifth Committee

Summary record of the 30th meeting
Held at Headquarters, New York, on Thursday, 20 November 1997, at 10 a.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
later: Ms. Daes (Vice-Chairman) ..... (Greece)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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(b) United Nations Institute for Training and Research (*continued*)

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Agenda item 121: United Nations common system

Agenda item 153: Human resources management (*continued*)

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97-82850 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 113: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/52/261, 381 and 518)

(b) United Nations Institute for Training and Research (*continued*) (A/52/5/Add.4)

(c) Voluntary funds administered by the United Nations High Commissioner for Refugees (*continued*) (A/52/5/Add.5)

1. **Ms. Beavais** (Canada), speaking also on behalf of Australia and New Zealand, expressed support for the recommendations of the Board of Auditors and hoped that the organizations concerned would implement them without delay, particularly those dating back to 1993 and 1994 that had not yet been carried out.

2. She expressed concern that the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees (UNHCR) still did not conform fully with the United Nations system accounting standards. It was also regrettable that the Board of Auditors had once again identified problems with regard to the use of consultants by UNHCR. Her delegation, like the Advisory Committee on Administrative and Budgetary Questions, considered that for projects below $100,000, there should be at least one audit during the life of each project.

3. With regard to the new operations management system, her delegation would like to know when the system would be operational, if it would include performance indicators, and how results would be monitored in terms of objectives.

4. With respect to programme delivery and administrative support costs, which were high and varied widely, she felt that the Administration should include in its review the overhead costs charged in addition to programme delivery and administrative support costs to the Trust Fund programmes for Headquarters administrative expenditures, which varied from 2 to 23 per cent.

5. She noted with concern that the issue of the debt incurred by the United Nations Institute for Training and Research (UNITAR) had still not been resolved. She agreed with the recommendation by the Advisory Committee that the United Nations should seek the advice of the Office of Legal Affairs on the matter.

6. **Mr. Hanson-Hall** (Ghana) said that his delegation fully supported the statement made by the Group of 77 and China on agenda item 113. His delegation was concerned by the fact that previous recommendations by the Board of Auditors concerning the United Nations High Commissioner for Refugees (UNHCR) had not been fully implemented (para. 5 of A/52/261). His delegation supported the Board's observation concerning the recording of advances to implementing partners (para. 6 of A/52/261) and noted with satisfaction that the High Commissioner had decided to make the audit certification clause mandatory for all accounts as at 1 January 1997 (para. 6 of A/52/381). As at 30 June 1997, financial reports had not been received in respect of $442.6 million. It was essential that the implementing partners should provide the Organization with the necessary financial information expeditiously. Furthermore, the Executive Committee of UNHCR should provide policy directives on the submission of project monitoring reports, including reports on projects executed by Governments.

7. With regard to the findings of the Board on programme management, which were worrying to his delegation, he noted that the rates charged for programme delivery and administrative support for general programmes varied from 32 per cent to 48 per cent of the total programme budget. UNHCR should review programme delivery and administrative support costs, establish norms, strengthen the preparation of work plans and intensify efforts to obtain project monitoring reports. With regard to the management of the Organization's assets, his delegation supported the recommendation of the Board of Auditors that the MINDER system should be upgraded to enable electronic transfer of data from the procurement system to the asset management system and agreed with the Board that the Administration should undertake a physical verification of all assets. UNHCR should consider acquiring an integrated asset management system, as recommended by the Advisory Committee (para. 11 of A/52/518).

8. The problems identified by the Board of Auditors with regard to the use of consultants called for corrective measures: the UNHCR Administration should provide guidance on preparing terms of reference and ensure that a central consultants roster was maintained with up-to-date information.

9. Ghana was disappointed that UNITAR had not fully implemented previous recommendations of the Board of Auditors. The Institute should draw up and implement an appropriate strategy for dealing with the deficit balances in a number of Special Purpose Grant Fund projects (paras. 17 and 19 of A/52/261) and should resolve its disagreement with the Organization concerning expenses incurred in New York after UNITAR had moved to Geneva. The Institute should also secure sufficient income to meet costs, as recommended by the Board, which was justifiably concerned

at the shortfall in the General Fund. With respect to programme management, his delegation supported the recommendations made by the Board in paragraph 11 of its report.

10. He noted with satisfaction the dialogue between the Audit Operations Committee of the Board of Auditors and the competent departments of the audited bodies on following up the Board's recommendations and with the Office of Internal Oversight Services aimed at synchronizing audit programmes. That dialogue would ensure an atmosphere of trust, which was essential for the Organization's smooth operation.

11. Referring to the terms of office of the members of the Board, he agreed with the Board that a six-year term would bring the cycle of appointments into alignment with the biennial accounting cycle, ensure a smooth pattern of rotation and enable Board members to become familiar with the organizations audited.

12. **Mr. Sial** (Pakistan) said that his delegation associated itself with the statement made on the agenda item under consideration on behalf of the Group of 77 and China. In the Organization's current financial situation arising from the non-payment of assessed contributions, it was all the more important to comply with the recommendations of the Board of Auditors and other oversight bodies.

13. The report on UNITAR raised concerns about the lack of available funds to secure the long-term future of the General Fund and that the Special Purpose Grants Fund had also incurred deficit balances for a number of projects. His delegation concurred with the Board's recommendations in that regard as well as those relating to programme management. Nevertheless, he noted with satisfaction that the Institute had established detailed agreements with partner institutions for the first phase of the climate change programme.

14. His delegation shared the concern expressed by the Board that the differences between United Nations Headquarters and UNITAR on the treatment of long-outstanding charges had not been resolved and agreed with the Advisory Committee's recommendation to seek the advice of the Office of Legal Affairs in order to settle that issue.

15. Having been host to the single largest refugee population in the world, Pakistan attached great importance to the activities of the United Nations High Commissioner for Refugees (UNHCR). A number of issues identified by the Board of Auditors required immediate attention by the Administration, including deficiencies in programme planning, monitoring and evaluation, procurement planning and selection and irregularities in the use of consultants. His delegation fully endorsed the Board's recommendations in paragraphs 81, 85, 87, 90, 92, 94, 96 and 98 of document A/52/5/Add.5.

16. While welcoming the fact that UNHCR had improved its procurement procedures, he nevertheless noted that in 1996, UNHCR had awarded 74 per cent of contracts to 13 developed countries and that 75 per cent of the value of contracts had also been awarded to suppliers in those countries. UNHCR should broaden its supplier base and increase the purchase of goods from developing countries, where its activities were usually concentrated.

17. With regard to asset management, his delegation agreed with the Board's recommendation (A/52/5/Add.5, para. 113) that UNHCR should carry out expeditiously a physical verification of all its assets.

18. Finally, regarding the duration of the term of office of Board members, his delegation had reviewed the issue in detail and would favour a four-year term of office, renewable once.

19. **Mr. Zhou Qiangwu** (China) said that his delegation endorsed the statement made on agenda item 113 on behalf of the Group of 77 and China. It was a matter of concern that UNHCR, not having received the necessary financial reports from its implementing partners, was unable to confirm how the latter had applied the funds allotted to them. In accordance with the Board's often repeated recommendation, UNHCR should make a full assessment of the capability of implementing partners. The ability to submit audit certificates on time should become a requirement for their selection.

20. As for procurement, his delegation reiterated that UNHCR should emphasize both cost-effectiveness and a wider geographical distribution among its suppliers, with a particular effort to increase its purchases from developing countries.

21. Noting that the percentage of programme delivery and administrative support costs to the total programme budget had increased from 27.3 per cent in 1994 to 35.7 per cent in 1996, his delegation agreed with the Board that that expenditure should be reviewed and that norms should be established. China also agreed with the Board's recommendations concerning the definition of project objectives, the preparation of work plans and the use of performance indicators. Regarding human resources management within UNHCR, his delegation wished to know why the same consultants had been engaged repeatedly to

do the same work, and why the roster of consultants had been used so little. UNHCR should take corrective measures. As for the United Nations Institute for Training and Research (UNITAR), his delegation was pleased to note that the Institute's assistance programmes were clearly defined and generally well executed. It was however a matter for concern that the General Fund was not provided with the necessary financing.

22. **Sir John Bourn** (Chairman of the Board of Auditors), responding to comments from delegations, welcomed the Committee's favourable response to the presentation of the Board's reports, and said he was pleased to note that the recommendations contained in the reports had received support from a great number of delegations. The Board would continue to follow closely the implementation of its recommendations, particularly those concerning recurring irregularities. It would of course focus its attention on matters requiring improvement, but it was nevertheless important, as Norway had suggested, to draw attention to examples of good management, healthy practices and standards for others to follow.

23. The Japanese delegation had recalled the difficult conditions under which bodies such as UNHCR operated. The Board recognized those constraints and endeavoured to show how they might be overcome. It would look again at that aspect to see whether a better approach could be found.

24. Responding to a question from the delegation of the United States of America, he said that the fact that UNITAR had not yet settled the issue of the deficits on Special Purpose Grants Fund projects was due to its interpretation of General Assembly resolution 47/227 as meaning that the cancellation of its debt applied to all former UNITAR debts, including those deficits (A/52/381, para. 3), whereas the United Nations considered that the deficits must be made good by the donors concerned (A/52/5/Add.4, para. 35). The Board had recommended that the Institute should assess the collectability from donors of the amounts outstanding. The Advisory Committee, for its part, had recommended that the United Nations should seek the advice of the Office of Legal Affairs on the matter (A/52/518, para. 17). In any case, the issue needed to be settled without further delay.

25. Finally, responding to a question by the United States delegation, he said that the Board hoped to finalize its reports on the Integrated Management Information System and the International Civil Service Commission in December 1997, so that they could be available in January 1998. He also informed the Committee that the Board had held a first tripartite meeting the previous week with the Joint Inspection Unit and the Office of Internal Oversight Services.

26. **The Chairman** said that, if there were no objections, he would take it that the Committee had concluded its general discussion on agenda item 113.

27. *It was so decided.*

Agenda item 121: United Nations common system

28. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) introduced the twenty-third annual report (A/52/30) of the International Civil Service Commission (ICSC), which described the work of the Commission regarding substantive issues requiring action by the General Assembly. Concerning the consultative process, he said that the Commission attached great importance to dialogue with its interlocutors, and was aware of the importance which the Assembly also attached to the consultative process. He recalled that over the past decade, the Commission had engaged in a continuous process of self-criticism, leading to improvements in the way in which the Commission functioned, as detailed in its reports. However, staff representatives had been absent from the Commission's proceedings for some time. At the request of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA), the Commission had, at its spring 1997 session, agreed to establish a working group on the consultative process and working arrangements, which had been scheduled to meet in July 1997. However, the Federation of International Civil Servants' Associations (FICSA) and CCISUA had requested a postponement of the meeting of the working group and the Commission had agreed that it should be held in mid-January 1998. Chapter III of the report provided further details. It was his firm view that a resumed dialogue depended upon the good will of all concerned; for its part, the Commission would leave no stone unturned to resolve the current impasse, and trusted that its interlocutors would do no less.

29. A management audit of the Commission had been undertaken in summer 1997 by the Board of Auditors, in response to a request by the General Assembly in its resolution 51/216. The auditors, who had spent some 12 weeks in the Commission's offices familiarizing themselves with its working methods, had also had an opportunity to engage in discussions with representatives of the organizations and of the staff. He understood that the auditors' report would be presented to the Assembly at its current session; the Commission would, of course, communicate its reactions to the auditors' recommendations.

30. The Commission had concluded its technical consideration of the methodology for establishing a single post adjustment index for Geneva, but it had deemed it necessary to draw the Assembly's attention to the legal implications of that method. It was a complex issue on which careful consideration by the Assembly was needed. He drew attention to Chapter IV and to annexes VII to XIV of the report.

31. Chapter V of the report contained the results of the Commission's review of the methodologies for surveys of best prevailing conditions of employment at Headquarters and non-Headquarters duty stations. The Commission had been assisted by a working group established for the purpose, which had undertaken an analysis of the Flemming principle, comparing it with the Noblemaire principle. He recalled that the Commission had adjusted its programme of surveys on conditions of employment at Headquarters duty stations, as had the organizations for non-Headquarters duty stations, pending the Assembly's discussion of the application of the Flemming principle. The revised methodologies had an implementation date of 1 January 1998. The Commission and the United Nations Joint Staff Pension Board had cooperated closely regarding the definition of criteria for establishing the non-pensionable component.

32. The Commission had also reviewed the methodology for determining the level of the education grant. Since the methodology was working well on the whole, the changes to be introduced in 1998, which were described in chapter VI, part A, of the report, were relatively minor.

33. As for standards of travel and per diem, the Commission's consideration of the issue had been necessarily limited in scope, given the complexity of the issue and the limited time available. However, the Commission considered that its recommendations on the issue contained in chapter VI, part D, of the report, contributed to greater uniformity, while at the same time leaving room for increased flexibility. The Commission would report at a later date on other travel-related issues.

34. Demonstrating its resolve to take an open and flexible approach, the Commission had organized a forum on new directions in human resource management at Glen Cove, New York, just before its summer 1997 session. Participants had included members of the Commission and its secretariat and of the Consultative Committee on Administrative Questions (CCAQ). With the objective of strengthening the common system and ensuring its continuing relevance, the participants had identified some of the key characteristics of the common system of the future and selected several themes for immediate follow-up. That experiment – the first of its kind – had been deemed a success. ICSC believed that such an innovative approach could have positive repercussions on its working methods and help to foster dialogue.

35. The Commission had proposed a flexible framework for cash performance awards and bonuses based on the comprehensive performance management package put forward in 1994 and supplemented with additional policy guidance. It was recommending that agencies should design programmes attuned to their particular needs, provided that their performance appraisal systems were robust enough to support a cash reward system. It had also updated its recommendations in the area of underperformance and was in the process of drafting a policy booklet and a "best practices" manual to assist organizations in refining their performance management systems. Its approach also included the possibility of introducing, in organizations with well-evolved performance appraisal systems, pilot full performance pay systems in close cooperation with ICSC and its secretariat. He urged the General Assembly to study the Commission's recommendations carefully and to endorse them.

36. In response to a request by the General Assembly, the Commission, aided by the findings of a working group, had reached conclusions on new contractual arrangements for staff performing time-limited functions. It had developed principles and guidelines applicable to assignments of limited duration to ensure that they did not impinge on the core international civil service. Until the long-term impact on the common system could be assessed, the Commission believed that limited-duration schemes should remain in pilot project status. Chapter VI of its report contained a summary of the Commission's review of the question, and annex XX presented the principles and guidelines it was proposing.

37. With regard to the current reform process, he drew attention to the fact that the Commission had not been consulted, either on the reform in general or on specific proposals, not even those that called for a re-examination of its mandate. The Commission, which had engaged in several self-examination exercises, had taken a number of initiatives in the human resource management field and had proposed innovative approaches to agencies with a view to revitalizing the international civil service, as requested by the General Assembly in resolution 51/216. Strengthening the staff could not be achieved by casting doubt among Member States as to the competence of the expert bodies which had direct responsibility for personnel matters. Nonetheless, the Commission was ready to make its contribution, and, during

the coming year, it would reassess the relevance of its earlier personnel policy work with a view to producing an updated, flexible human resources policy framework for the common system. It remained convinced that it had a vital role to play in shaping the common system of the twenty-first century.

38. **Mr. Scherzer** (President, Federation of International Civil Servants' Associations (FICSA)) said that he shared the view of the Secretary-General on the need to refocus the work of the General Assembly on issues of the highest priority. Among the issues of greatest concern to the Federation, the consultative process took priority. ICSC had not accurately portrayed in its report the reasons why staff representatives had decided not to participate in the working group on the consultative process scheduled for July 1997. The staff representatives had not acted on a whim, but because of two important factors: the lack of an impartial facilitator and the fact that the Federation had been informed of that situation only five days before the meeting was to start. That type of failure on the part of ICSC, along with its inability to make improvements, were the main reasons for the Federation's withdrawal. The Commission had also been criticized by the Consultative Committee on Administrative Questions (CCAQ), which had commented at its summer session that the meeting of the working group had been poorly prepared. In his view, those problems could have been avoided if Member States had not opted to have ICSC represent them in a group set up expressly to review the Commission's own work.

39. Nonetheless, staff representatives would press on with their attempts to improve the consultative process. They were encouraged by the statement of the Secretary-General in his reform proposals that staff must be fairly compensated and their conditions of service must be determined in an objective manner. The Secretary-General rightly believed that a re-examination of the composition, mandate and functioning of the Commission would contribute to the success of his reform measures. The Federation believed that staff had been denied the right to question matters, advance proposals and negotiate outcomes, and no provision had been made for a truly equitable body whose technical competence and impartiality were universally recognized. In cases of dispute, the sole recourse open to staff was litigation. If nothing changed, that time-consuming and expensive process would be the only means by which staff could check the arbitrary revision of General Service salary survey methodologies and stem the erosion of their salaries. Senior General Service staff, who represented the institutional memory and the pillars of most organizations, would be particularly hard hit. Litigation would also be the only way to counter attempts to amend the post adjustment index in Geneva, which had legal flaws of much greater significance than recognized by the United Nations Legal Counsel.

40. Rather than press for decisions that were legally unsound or were detrimental to the staff, Member States should appeal to all parties to study the consultative process anew and propose a more equitable system in keeping with modern administrative principles. They should also start from the assumption that staff members had integrity, rather than stressing command and compliance. Acceptance of the integrity of staff members could have been a redeeming feature in the new Code of Conduct, if such a code were really necessary. That Code was based on the premise that all members of the international civil service were potentially capable of wrongdoing. Furthermore, it patently discriminated against staff representatives and their fundamental right of association. It also infringed on staff members' basic right to privacy and personal freedom; thus, the draft Code was unacceptable.

41. Member States must recognize the talents and dedication of the vast majority of staff, which the Secretary-General had noted in his reform proposals, while reaffirming his strong attachment to the Noblemaire and Flemming Principles. They must support an increase in the margin range set for Professional salaries and check the downward spiral in General Service salaries set in motion five years earlier. In its report to the Fifth Committee, the Federation had made a series of recommendations. It attached particular importance to the security measures accorded to international staff, which must be extended to locally recruited staff who were nationals of the host country. Such a decision would eliminate a major inequality.

42. In a changing world, attitudes must change as well, in order to master the problems brought about by that change. A change in the operations of the International Civil Service Commission would be an excellent place to start.

43. *Ms. Daes (Greece), Vice-Chairman, took the chair.*

44. **Ms. Waters** (President, Coordinating Committee of International Staff Unions and Associations (CCISUA)) said that staff, who had participated in a worldwide demonstration on 13 November in defence of the international civil service, felt under attack from all sides. Security of staff had never been more threatened; therefore the United Nations Staff Union would hold the first Summit on the security and independence of the international civil service in New York on 19 November 1997. That meeting would focus specifically on crisis and hostage situations. A second Summit was already planned for February 1998, and

CCISUA hoped that all Member States would participate in those events.

45. The reform process and the financial crisis had also taken their toll on the staff. CCISUA was confident that Member States, as conscientious employers, would take the necessary action. The concepts of accountability and responsibility did not apply only to the staff and management of the organizations.

46. The Secretary-General had often said that he expected excellence from international civil servants. In accordance with Article 101 of the Charter, the Organization was required to secure the services of staff of the highest standards. The international civil service had consistently met those expectations, but there was a price to be paid for excellence. Neither professional nor general service salaries were competitive. The latest revisions in the general service salary methodology, which would take effect on 1 January 1998, were specifically designed to erode salaries in that category, in direct contravention of the Flemming principle. Since the comparator was no longer the highest paid civil service, the Noblemaire principle was no longer being applied. In order to remedy that situation, the Consultative Committee on Administrative Questions (CCAQ) had recommended that the margin should be revised from 110-120 to 120-130.

47. It should be noted that those important issues had been taken up at a time when both staff federations had been boycotting ICSC for reasons which they had clearly explained, which were shared by the administrations. Indeed, the Secretary-General had included a review of the mandate and functioning of ICSC as part of his reform package. CCISUA intended to participate with an open mind in the meeting of the working group on the consultative process of ICSC to be held in January 1998, and to try to resolve the issues that had prevented it from participating in the work of the Commission. It therefore urged the General Assembly to defer implementation of the revised salary survey methodology for general service staff until it received the detailed report of the working group, which would address such issues as the objectivity and technical competence of the Commission.

48. The question of establishing a single post adjustment for Geneva was another issue of concern. Aware of the problems it raised, and wishing to avoid lengthy and costly litigation, CCISUA fully supported the agreement reached by the administrations of the Geneva-based organizations that there should be no change to the status quo.

49. CCISUA was happy to be part of the reform process undertaken by the Secretary-General to chart a new direction for the Organization and improve its efficiency. The views of the staff must be an integral part of that process and the Secretary-General had made a request to that effect to heads of departments, but they had eluded meaningful consultation with the staff. There was also manipulation of posts, and staff members continued to be switched from established posts to posts funded by extra-budgetary sources. Staff representatives, who often had no access to staffing tables, had no means of verifying whether those transfers had been motivated by personal considerations. She therefore urged Member States to strive to ensure that staff representatives were fully integrated in the consultative process on reform issues, in accordance with the Secretary-General's request.

50. CCISUA was also concerned about the decentralization of decision-making at the country level and consolidation of the United Nations presence under a single representative. It urged that any delegation of authority should be accompanied by clear guidelines, including penalties for abuse of authority. The establishment of "United Nations houses" could lead to the abolition of posts, and some agencies were already attempting to reserve posts for their own staff. There was an urgent need to set up an inter-agency mechanism, with full staff participation, to monitor transparency and fairness in the process of the merger of various entities.

51. The justice system of the Secretariat was in serious trouble – there were delays in the hearing of cases brought before the Joint Appeals Board, and a shortage of qualified counsel to defend appellants; moreover, unanimous recommendations were no longer supported by the administration. CCISUA hoped that the Task Force on Human Resources Management would deal quickly with the issue. However, it was also imperative that an independent review of the justice system should be conducted without delay. The review, which would be conducted by a staff-management working group, could include the possibility of merging the United Nations Administrative Tribunal and the Administrative Tribunal of the International Labour Organization.

52. The staff-management consultative machinery had completed its consideration of the draft code of conduct, which the Secretary-General had made the cornerstone of his reform process. It was gratifying that the code included provisions whereby, for the first time, the Secretary-General would have an obligation to take steps to provide minimum standards of living for staff in the field and ensure their security. CCISUA believed, however, that the necessary provisions should also be included in the code to ensure the effective implementation of universally recognized norms and principles in connection with the rights and

responsibilities of management and staff, guarantees of due process rights, clear accountability of managers, and the rights of staff representatives. It recommended that the code of conduct should be reviewed by the Sixth Committee prior to its adoption by the General Assembly.

53. CCISUA was concerned about the term limits on staff representatives imposed by the General Assembly in resolution 51/226. The constant turnover of staff representatives was liable to result in the loss of institutional memory and staff would be denied the right to choose their own representatives through the democratic process. CCISUA therefore appealed to Member States to repeal that measure.

54. Member States should improve the career development of all staff by monitoring the establishment of a comprehensive career development system, as requested by the Assembly in resolution 51/226, and by putting forward candidates only for entry-level Professional posts and political posts. She also drew attention to the impact of the financial crisis on the staff. Health and safety conditions were deplorable. Furthermore, the staff were victims of completely unjustifiable attacks. Interpreters struggled to uphold the highest standard of service in poorly-ventilated, dusty and cramped booths; the staff involved in producing documents in the various languages had been cut by nearly half, while the volume of documentation had doubled, and tripled. There had indeed been some cases of fraud and embezzlement at the United Nations, as in any national civil service, but those cases involved only an extremely small minority.

55. CCISUA therefore urged Member States, as employers, to impose on themselves the standards they imposed on the management of the United Nations – fairness, accountability and transparency. It also called on them to support and defend the organization's staff, to seek their views before making decisions which affected them, and to ensure that they were treated with respect and dignity. Member States should have confidence in the staff, allow General Service staff a fair career structure by protecting P-2 and P-3 posts from abolition and by not placing unfair restrictions on the competitive examination for promotion to the Professional category, continue to monitor the phasing-out of gratis personnel, and create a structure where career appointments formed the foundation. In an atmosphere conducive to growth, the international civil service would be able to demonstrate its excellence.

56. **Mr. Saguier Caballero** (Paraguay), speaking on behalf of the Rio Group, said that he noted with satisfaction the progress made by the International Civil Service Commission in such areas as the methodology for determining the level of the education grant, performance management and appointments of limited duration. He welcomed the fact that after consultation with CCISUA and FICSA the Commission had agreed to the establishment of a working group to review its consultative process and working arrangements. He noted that, at the request of the staff associations and unions, the Commission had postponed the meeting that the Working Group was to have held in July 1997; he hoped that the Group's work would facilitate finding a solution to the problems in question.

57. Regarding the Geneva post adjustment, he said that the Commission had indicated in its report that, when calculating the post adjustment, it would be possible to take into account the cost of living in the border areas of France. However, before adopting the changes proposed, it would be necessary to carry out a cost-benefit analysis in order to avoid the risk of a split in the common system.

58. The Rio Group suggested that the General Assembly should take note of the changes in the methodologies for surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations that the Commission proposed to make in order to determine the conditions of employment of General Service staff, as it was entitled to, upon completion of the study called for in resolution 51/216. The Assembly should also authorize the Commission to proceed with the surveys it had postponed at non-headquarters duty stations. Regarding travel standards and subsistence allowance, the Rio Group believed that the specific needs of each organization should be taken into account; the Commission should consider the matter further, in the light of the existing general guidelines on official travel.

59. With regard to performance management, the Commission had succeeded in preparing flexible general guidelines taking into account the particularities of each organization. The Rio Group attached great importance to the principles and guidelines the Commission had drawn up concerning staff whose performance was unsatisfactory. Another very welcome recommendation of the Commission was the establishment, on an experimental basis, of a system of performance awards or bonuses. The Commission should report to the Fifth Committee on the outcome of pilot projects undertaken in that area.

60. The Rio Group also noted that the Commission had taken the initiative of holding a forum on new directions in human resources management, and that it had approved the use of pilot schemes for appointments of limited duration. Such innovations proved that the common system could be

applied with flexibility. Lastly, the Commission's experience could be put to good use in the programme for the reform of the United Nations; the Rio Group asked the Chairman of the Committee to provide specific examples on items with respect to which the Commission could make a contribution.

Agenda item 153: Human resources management (*continued*) (A/52/438 and A/52/574; A/C.5/51/55 and Corr.1 and A/C.5/52/2)

61. **Ms. Salim** (Assistant Secretary-General for Human Resources Management), introducing the report on the amendments to the staff rules (A/52/574), said that the bulk of the proposed amendments would allow for the implementation of the family leave programme described in document A/52/438, which was applicable to staff governed by the 100 series of the staff rules, and, to an extent consistent with their terms of appointment, to staff governed by the 200 series.

62. The 100 and 200 series were also amended to reflect General Assembly resolution 51/216, which had introduced a five-year time-limit on payment of the non-removal element of the mobility and hardship allowance.

63. Lastly, two rules in the 200 series were cancelled to align the conditions of service of project personnel relating to group life insurance and medical care with those of staff governed by the 100 series.

64. **Mr. Darwish** (Egypt) noted that there was some overlapping between the activities of the Office of Human Resources Management and those of the administrative services of other offices and departments. He would like information on any measures taken to remedy that situation. He supported the new performance appraisal system described in document A/C.5/51/55. As the system stressed results, such as the method of management by objectives, whose effectiveness was no longer in doubt, it was to be hoped that it would enable staff to adapt continuously to the changing needs of the Organization. His delegation noted with concern, from paragraph 17 of the Secretary-General's report, that significant obstacles had been encountered in implementing it. While regular appraisal of professional performance was important, some control must be exercised to ensure appraisal objectivity.

65. The family leave programme described in document A/52/438 should help to improve staff morale, and thus efficiency. His delegation approved of the measures described in paragraphs 12 (a), (b) and (d), but had reservations about paragraph 12 (c), whereby staff members would be authorized to take four years' special unpaid leave and be assured of reabsorption in the Organization at the end of that time. Given the changing needs of the Organization, such staff members should perhaps complete a retraining programme or be re-examined before resuming their posts. The Secretariat should provide some clarification on the matter.

66. Referring to document A/C.5/52/2, he reaffirmed that the privileges and immunities of United Nations officials must be respected to enable them to perform their duties without fear for their safety. Measures must be taken to ensure that no official was ever again killed or taken hostage.

67. Finally, he said that his delegation supported the equitable distribution of posts between men and women in the Secretariat, on the understanding, however, that candidates were selected solely in the interest of efficiency.

68. *Mr. Chowdhury (Bangladesh) resumed the Chair.*

69. **Ms. Durrant** (Jamaica) supported the measures taken by the Secretary-General to modernize personnel management in accordance with a strategy based on an integrated approach and to incorporate transparent systems for performance appraisal and training. An objective performance appraisal system was a central element of any strategy to build a competent and motivated staff, and her delegation noted with satisfaction that staff members had been invited to become actively involved in every stage of the process of implementing the new system. She trusted that the need for simplification of the system as perceived on the completion of one full performance cycle would be addressed and that the system would be subjected to regular review.

70. Her delegation awaited with interest the Secretary-General's proposals for the introduction of a system of performance awards or bonuses. The system should not be considered as a substitute for improvement in remuneration and must be seen to be objective and transparent. Given the staffing changes to be expected in the years to come, it was gratifying to note the importance attached to training in the reform programme and in the proposed budget of the Office of Human Resources Management for the 1998-1999 biennium. Training should be multidisciplinary, reflect the agenda of the United Nations and embrace all categories of staff, in particular junior professionals and staff in the General Services category who passed the examination for transfer to the Professional category.

71. Her delegation shared the concern of the Secretary-General and other Member States about the safety of staff. She noted with regret that 22 persons had lost their lives in the service of the Organization during the period covered by the Secretary-General's report on the question and that many

more had been subjected to all kinds of attacks. Staff safety should not be neglected simply for budgetary reasons.

72. One important goal was to improve the representation of women at all levels of the Secretariat. Her delegation was convinced that that could be achieved without sacrificing the demands of efficiency, and looked forward to the report of the task force which the Secretary-General proposed setting up in his report on reform. Finally, she paid tribute to the staff of the Secretariat who, despite many difficulties, continued to serve the international community and the ideals of the United Nations with competence and complete independence.

73. **Mr. Maddens** (Belgium) speaking on behalf of the European Union, said that the following States associated themselves with his statement: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Norway, Poland, Romania and Slovakia. The delegations on behalf of whom he was speaking were well aware of the importance of the role of the Secretariat and its staff and supported the Secretary-General's strategy to modernize human resources management, as well as his reform programme proposals. Both the stated objectives and the approaches proposed should strengthen the international civil service in accordance with the principles of the Charter, and the States for which he was speaking intended, in due course, to make suggestions to the task force to be set up by the Secretary-General.

74. The European Union supported the phased introduction of a system of performance awards or bonuses on the basis of the principles described by the Secretariat in his report (A/52/439), but believed that non-monetary rewards should be introduced at the start, until such time as the appraisal system became more effective. While the principles on which the system was based were sound, the procedures needed improving, as noted in paragraph 25 of document A/C.5/51/55. In particular, proposals should be submitted as soon as possible to the General Assembly for the establishment of a system of performance-related incentives and rewards and the Secretariat should indicate when it would make proposals for a closer link between the appraisal system and staff development and career support mechanisms.

75. The European Union fully supported the conclusions of the report on the family leave programme (A/52/438). With regard to paragraph 12 (b) of that document, he stressed that staff should be allowed freedom of choice. In his view, that was one aspect of the implementation, within the framework of human resources management, of the principle of equality between the sexes, to which the European Union attached special importance.

76. He supported the recruitment of young staff members through national competitive examinations and, in the light of General Assembly decisions and the Secretary-General's proposals for a younger Organization, it was surprising that the number of P-2 and P-3 posts should be so small compared to those at the P-4 and P-5 levels. Recruitment procedures were too slow and cooperation between the examinations and recruitment services must be strengthened.

77. Failure to respect the privileges and immunities of officials of the United Nations and the specialized agencies and related bodies was an attack on the Organization itself. Respect for the privileges and immunities and the guaranteed safety of all staff, including local personnel, was essential for the success of the frequently dangerous operations to which they were assigned. Host governments and parties to conflicts must ensure that the relevant international instruments were respected. The Member States for which he was speaking noted the statement in document A/C.5/52/2 that, since 1 January 1996, 22 staff members had been killed in the service of the United Nations, including a national of one of those States. Those deaths had been the result of unacceptable violations of the Charter and international law and those responsible must be tried by the competent national authorities. He again called for the immediate release of Alec Collett and strongly condemned his disappearance in Lebanon in 1985 as an act of terrorism. Finally, he whole-heartedly supported the Secretary-General's efforts to ensure the safety and protection of all United Nations staff members, regardless of their contractual status.

78. **Mr. Retta** (Ethiopia) said that annex I to the report on the privileges and immunities of officials of the United Nations (A/C.5/52/2) contained the names of three international civil servants detained in Ethiopia since 1991, 1993 and 1997, respectively. Those individuals had been arrested because of their alleged participation in a genocide known as "Red Terror".

79. The international community knew that genocide and gross human rights violations had been committed in Ethiopia for nearly two decades, resulting in thousands of deaths and millions of displaced persons. Owing to the magnitude of the genocide, the trial, which had begun in 1991, was inevitably long and complex; the arrest of the three international civil servants awaiting judgement must be viewed in that context.

80. All three of the persons in question were Ethiopian nationals and had been detained not for activities carried out

in their capacity as international civil servants, but rather for acts they had committed as individual citizens that were not covered by diplomatic immunity. The specialized agencies of the United Nations had been duly informed of that fact.

81. Annex II to the report contained the names of two United Nations staff members who had been on board the Ethiopian Airlines aircraft which had been hijacked by terrorists and had then crashed on 23 November 1996 in the Comoros. He stressed that, since the aircraft was the property of Ethiopian Airlines, his Government had carried out all the necessary investigations and informed the public and the victims' families of its findings. Ethiopian Airlines had taken all the necessary measures to compensate the families. The exercise had been promptly carried out, in accordance with national and international law and to the satisfaction of the victims' families and the Ethiopian Government.

82. **Mr. Farid** (Saudi Arabia) said that his delegation welcomed the efforts made in the field of training, particularly in connection with the programmes for peacekeeping operations personnel and staff members in the field. It supported the introduction of a system of monetary awards, and believed that any staff member who had carried out functions corresponding to a post at a higher level should be promoted. It encouraged the Secretariat to develop the career planning system. It strongly opposed practices aimed at circumventing the recruitment rules, particularly through the conversion of posts. His delegation would appreciate details regarding the mandate of consultants; their selection, which should be done on a broader basis; and their evaluation. He requested a list of consultants that indicated their geographical distribution and the amounts paid to them in 1996. Lastly, the Performance Appraisal System was a useful tool, which should, however, be developed further.

83. **Mr. Atiyanto** (Indonesia), referring to document A/C.5/51/55 on the Performance Appraisal System, said that his delegation noted with satisfaction that managers and staff had communicated their views about the system, which enabled the Secretariat to improve it. The vital role of the monitoring committees, namely the Management Review Committees, the Joint Monitoring Committees and the Global Joint Monitoring Committee, must be stressed. His delegation was awaiting additional information on the steps taken to strengthen links between the Performance Appraisal System, staff development and career support mechanisms.

84. **Ms. Salim** (Assistant Secretary-General for Human Resources Management) replied to the questions which delegations had posed. Concerning the number of staff members who had participated in the Performance Appraisal System during its first year, she said that, during the 1996/97 cycle, the system had been launched in 24 departments and offices of the Secretariat and that, during the current cycle, it had been extended to other units; the expectation was that it would be universally applied during the next cycle.

85. With regard to the training of managers, she confirmed that all managers – indeed, all staff at all the major duty stations – had received training during the 1995/96 cycle. During the second half of 1996 and early 1997, training had been conducted for some missions and multinational programming and operational centres (MULPOCs). Capacity-building programmes for managers had been introduced. A videotape had been produced in order to introduce the Performance Appraisal System to staff at the small offices, such as the information centres and MULPOCs, to those staff members who had missed the training courses and to newly recruited staff members.

86. Replying to a question on methods of evaluating the Performance Appraisal System, she said that, in the Secretariat's view, the introduction of the system was a long-term operation; it must be understood that the foremost objective of the Organization during the first year had been to disseminate the general principles: work planning, priority-setting, monitoring, feedback, review and appraisal. Given the initial resistance to the system, the priority had been to ensure that it gained acceptance. The Office of Human Resources Management had decided to monitor its implementation and had requested feedback from managers and staff members who had participated in the system during the first year. All heads of department and all staff associations had been requested to inform the Office of their concerns and to formulate recommendations on improvements to the system with a view to making it an effective performance management tool. Forums and procedures were beginning to be changed on the basis of the information received. The new system would be considerably simpler and sufficiently flexible to be used in the various fields of activity of the Secretariat.

87. In reply to the question concerning departments and offices where the system had not yet been implemented, she explained that the delay in some departments could be attributed to specific measures which had had to be taken at the end of 1995 in order to deal with the financial crisis. Moreover, in a small number of departments and offices, the delay was due to restructuring and managerial changes. Those departments and offices were being monitored in order to ensure that the system was fully implemented during the 1997/98 cycle.

88. With regard to the family leave programme, one delegation had enquired about "exceptional" cases in which the special leave without pay that could be taken after the birth of a child could be extended for two years. That extension would be granted only in rare and very specific cases, such as the birth of a handicapped child or a child who needed special medical treatment.

The meeting rose at 12.50 p.m.